DH Department of Health

# Local Spending for Local Needs

*How the NHS intends to use the money*

NHS

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# Foreword

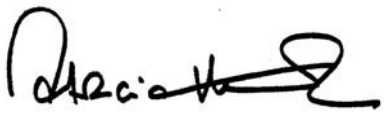
The Chancellor made clear in the Budget 2007 that he was giving the NHS its "biggest cash increase ever".

This year, planned expenditure will be over £8 billion more than last year. The bulk of this extra money will be spent on frontline services and staff and at least £600 million will go on new hospital schemes, GP surgeries and equipment.

Decisions on how to spend this money will largely be taken by local GPs, consultants and primary care managers who are best placed to know what their communities need.

This year there are no new national targets. Centrally driven targets have served their purpose and delivered impressive results: fewer people dying of cancer and heart conditions; no patient waiting longer than six months for an operation; 85 hospitals schemes already built and open, with another 25 under construction; 280,000 new staff; and hundreds of pieces of diagnostic equipment, including 158 MRI and 231 CT scanners.

But what will increasingly drive improvements in the future is patient choice, more freedom for hospitals, and local initiatives and targets aimed at meeting local needs.



Patricia Hewitt, Secretary of State for Health

# Local vision, national standards

During 2007/08 there will be a wide range of local improvements and these add up to a major growth in services at a national level. It is the vision of local clinical staff and managers that drives up the range and quality of care. By the end of the year, the NHS as a whole will deliver the following commitments:

**18 weeks waiting time**

The NHS is planning to treat around 400,000 more outpatients and 390,000 more inpatients in 2007/08 than in 2006/07. By March 2008, at least 85% of patients who are admitted to hospital for treatment and 90% of patients whose treatment does not need hospital admission will wait no more than 18 weeks from GP referral to treatment.

**Smoking**

In 2007/08, the NHS Stop Smoking Services plan to help at least 370,000 smokers remain quit at four weeks. This will make a total of 1.5 million people helped to quit by NHS Stop Smoking Services between 2003/04 and 2007/08.

**MRSA**

Hospital-acquired infections will continue to decrease during 2007/08. We are now on course to reduce the number of MRSA infections to less than half the number in 2003/04.

**Sexual health**

From April 2008, every person attending a clinic will be offered an appointment within 48 hours of first contacting the service, compared with 50% who were offered appointments within 48 hours in August 2005.

**Long-term conditions**

By the end of 2007/08, there will be 3,000 community matrons and other case managers in post to provide care closer to home, compared with fewer than 100 at the beginning of 2004/05.

**Drugs misuse**

In 2007/08, 100,000 drugs misusers will receive a continuous period of treatment of at least 12 weeks. This will mean 50% more people in treatment than in 2004/05.

## Local spending on new services

This report is full of examples of local innovation which are just a few of 100 new and improved services, detailed in Appendix 1 of this report, investing around £342 million. They show how this year's £8 billion in additional funding will be spent and show the scope and range of challenges facing the NHS in England today.

The variety of new projects also underlines how shifting responsibility for close to 80% of the NHS's spending to primary care is producing a confident, flexible and responsive approach to the public's needs and wishes.

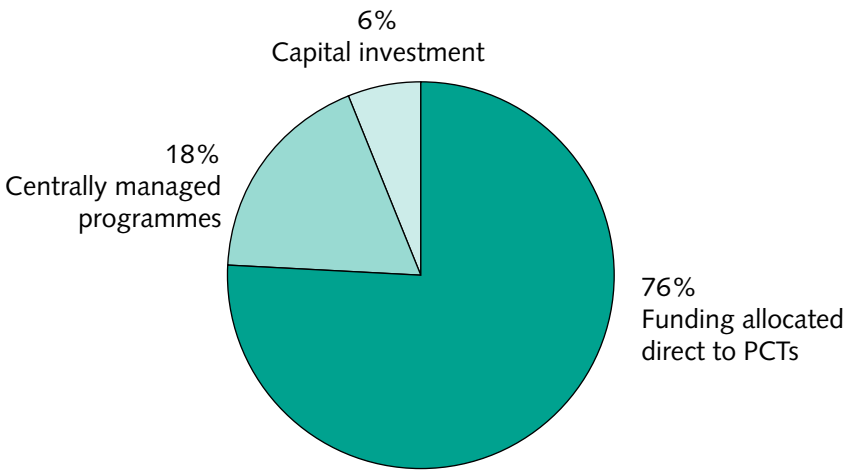
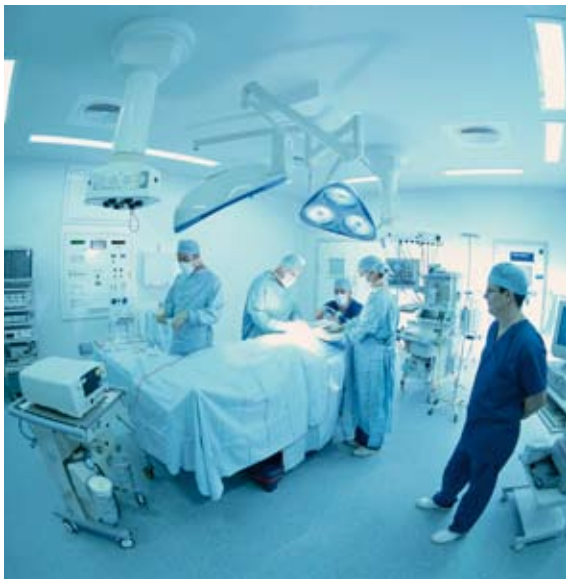



**Figure 1: Overall disposition of extra resources in 2007/08**

Strategic Health Authorities (SHAs) support all primary care trusts (PCTs) in drawing up local delivery plans (LDPs). PCTs work with councils to jointly identify the future health and social care needs of communities. This specifically means doing preparatory work and spending money on issues like 18 Weeks, care closer to home, MRSA, maternity services, end-of-life care, childhood obesity, reducing health inequalities, mental health and social care.

## 18 Weeks

Reaching the national 18-week target by December 2008 requires local leadership and innovation, not national diktat. Accordingly, each local health community is adopting its ow,n combination of increased activity and improved efficiency. Across the country, the increased activity alone will mean 390,000 more operations in 2007/08 on top of the 5,800,000 operations performed in 2006/07 – an increase of nearly 7%.



The **Royal Berkshire NHS Foundation Trust** is using its new financial autonomy to invest £2 million in a ready-made modular operating theatre. It was craned in place a few weeks ago and will be ready by June. The two-storey building will help the Trust deliver an extra 7,000 operations over the next 18 months.

In **Doncaster**, £75,000 is being spent by the PCT to alleviate a particular problem it has with waiting times for oral surgery. Instead of being referred to the **Montague Hospital**, patients needing minor surgery will be sent to a specialist surgical dentist based at **Denaby dental practice**. This will cut the wait to see a consultant and reduce travelling times for many. It also releases the hospital dental consultants to do more complex cases.

Elsewhere, clinicians are questioning old procedures that often lead to unnecessary referrals for surgery.

In 2007, £600,000 will be spent on a musculoskeletal assessment and treatment (MAT) service in **Bristol** to help patients in pain to be seen more quickly and avoid surgery wherever possible.

Peter Stinchcome had been suffering from pain in his right shoulder for two years when his GP referred him to a consultant. Instead he was picked up by the MAT service where a doctor and physiotherapist recommended an immediate injection.

Mr Stinchcome said: "The treatment meant that I didn't have to go to see an orthopaedic surgeon and have an operation."

In **Hampshire**, the PCT and **Basingstoke and North Hampshire Foundation Trust** have agreed to work in partnership to achieve an accelerated 18-week patient pathway for local patients in orthopaedics, gynaecology, cardiology and urology. Patients will benefit from quicker access to diagnostics and greater integration with GPs and other staff in the local hospital.

**East Kent Hospitals NHS Trust** is one of 13 'early achievers' that have volunteered to deliver the 18-week maximum wait ahead of schedule. Already they have achieved a dramatic cut in waits for a diagnostic test of the heart

(echocardiography), from six months to four weeks, through better scheduling of appointments. A pilot service in **Ashford** introduced a new assessment and treatment service for patients with hip and knee problems. They are now seen within two weeks – quicker than if they had waited for a hospital appointment – and similar services are planned for other specialties.

A patient who benefited from the new approach said: "I felt as though I was receiving first-class service, not the old-style NHS or GP service I had experienced before. All in all, it was a very positive experience."

## Care closer to home

Community matrons are now common around the country, and by the end of 2007/08 there will be 3,000 community matrons and other case managers, compared with fewer than 100 at the beginning of 2004/05.

Community staff bring care closer to the patient's home, but in **Croydon** it has become clear that patients like the structure of the ward – so they are bringing the ward to the home.

**Croydon PCT** is spending £1 million to expand its virtual community ward concept to help patients with long-term conditions. It was piloted last year and, together with other work around long-term conditions, saved the PCT £900,000 during 2006/07 and is expected to release similar savings in 2007/08 for reinvestment in other services.

People with long-term conditions who have the highest predicted risk of frequent admission to hospital are identified and then the structure and routine of a hospital ward are delivered to a patient's home. The virtual wards mimic hospital wards, using conference calls as a way of engaging all clinicians, including the patient's GP, in the ward round.

Each patient's care is organised by a community matron and delivered by ward and specialist staff such as physiotherapists and occupational therapists to the patient in their home.

Like a hospital ward, patients are defined as high intensity or low intensity depending on their clinical needs and self-management skills. Some patients are discussed daily but, as their self-management skills improve, their ward round is slowly reduced to one per month. Once patients have been on a minimal schedule for a period of time and evidence shows that their risk has been reduced, a planned discharge is arranged back to primary care.

Peter Woods, a retired Customs and Excise manager, is a patient helped by a similar scheme in **Suffolk** aimed at preventing unnecessary hospital admissions. He suffers from diabetes and chronic obstructive pulmonary disease (COPD), and is watched closely by a practice nurse. This year, the PCT intends to expand the programme and give all 41 GP practices an additional £1,500 and a pulse oximeter so they can monitor COPD patients more closely.

Mr Woods said: "This programme treats the whole person through their GP, rather than having to go to four or five different hospital clinics giving conflicting advice. Since being on this programme, I am beginning to feel that perhaps I am important."

To meet the public's growing expectations of the NHS alongside the challenges posed by an ageing population, the growth of diseases such as diabetes and rapid technological advances, we need local solutions to local issues. In the long run, this is the only way the NHS will generate consistent improvements in outcomes and value for money.

## Technology and partnerships

In areas such as mental health, long-term care, care of the elderly and rehabilitation, PCTs and local authorities are now working together to create the seamless system people said they wanted during the *Your health, your care, your say* consultation.

Local authority funding for social health comes from a variety of sources. Local authorities in England will receive more than £65 billion in 2007/08, a 4.9% increase on the last financial year. This includes Department of Health (DH) contributions to adult social care in recognition of the link between the two services. This will comprise £1.6 billion in revenue grants plus £68 million in capital grants.

Part of the adult social care budget for 2007/08 includes £60 million for the Partnerships for Older People Projects, £80 million for preventative technology and £60 million for extra care housing.

PCTs are already forming partnerships with local authorities to take advantage of the savings derived from technology. TeleHealth, which uses sensors to transmit a patient's vital signs and movements to their clinician, is currently being piloted in **Kent** where the council and local PCTs have pledged £1.3 million in 2007 to develop the project further.

Patients measure their blood sugar, blood pressure, pulse rate, blood oxygen levels, weight, temperature and peak flow, as appropriate, and download the readings over a secure link to their clinician, such as a community nurse or GP.

Once they understand the numbers, patients with long-term and chronic conditions can see for themselves the effects of making healthy or less healthy lifestyle choices. In addition, they have the reassurance that they are being regularly monitored and need fewer trips to the GP because routine checks can now be done at home.

Clinicians can follow up worrying readings, heading off problems before they develop. The result is a drop in home visits, visits by patients to the surgery and unnecessary hospital admissions. Patients enjoy a much better quality of life because they feel less anxious and are more confident about managing their health.

Kathlyn Green, 85, from **Dartford**, whose long-term conditions include angina, an irregular heartbeat and asthma, monitors her blood pressure, blood oxygen and pulse rate using TeleHealth technology. She said: "I send the details over to the doctor and he checks them, and that stops me going to the surgery and to hospital so often."

She added: "It gives you peace of mind to know somebody's keeping an eye on you. The doctor sends me a message every now and then. It's very reassuring."

In a similar preventative collaboration, **Oxfordshire PCT** and Oxfordshire County Council will spend £200,000 this year creating a falls prevention service. PCT nurses will work with residential and nursing staff in homes around the county to identify residents at risk of falling and introduce safety measures. They will also work with ambulance staff to track elderly people who have fallen in their homes to ensure they receive appropriate follow-up treatment and advice on safety.

In **Oxfordshire** last year there were 900 admissions for hip fractures. That cost the PCT £3,937,000 or 23,400 bed days. If it could reduce falls by 15% it would transform many elderly people's lives and save around £590,000 a year.[1] This type of efficiency saving replicated around the country will significantly contribute to the financial efficiency of the NHS.

Although local authorities cannot be directed on how to spend their funds, there is an expectation their spending will be in line with the priorities outlined in the *Our health, our care, our say* White Paper.

The increase in funding will enable the DH and local authorities to continue to help more individuals exercise greater choice and control over their care and to remain independent for longer.

The DH is also helping in this area by giving direct grants to individual budgets pilots which allow people to take control of the purse strings of their health and social care, and Partnerships for Older People Projects, which are aimed at helping older people take greater personal control over their health and well-being and to remain independent wherever possible.

## Tackling MRSA

Nationally there is understandable concern about MRSA and other healthcare-associated infections. An overarching national target is essential to maintain momentum but local targets mean our approach is now more sophisticated and the results should be more effective. From April 2008 there will be less than half the number of MRSA infections compared to 2003/04. The latest published figures to December 2006 show the NHS is on track.

We also intend to significantly reduce the number of *Clostridium difficile* infections, By learning from the successful work on MRSA, the NHS will set local targets which will deliver a reduction in the number of infections.

In the Midlands, the **Royal Wolverhampton Hospitals NHS Trust** is preparing to spend close to £1 million on preventing healthcare-associated infections.

1 Based on figures compiled by the NHS Institute for Innovation and Improvement on delivering quality and value.

Mattresses and bedside commodes throughout the Trust will be replaced at a cost of £77,000 and a further £900,000 will be spent on replacing toilets, showers and installing stainless steel work surfaces in five key wards.

Dr Mike Cooper, Director of Infection Prevention and Control, said: "I am really pleased that all staff are very conscious that infection control is everybody's responsibility ... At one time, everybody would assume that it was solely my team's job. Now, the culture is changing in a really positive way."

That change in culture is being driven by David Loughton, the Trust's Chief Executive, because he wants to provide a first-rate service for patients. He and his fellow chief executives around England know that in a few months' time patients will be able to choose free orthopaedic treatment from Wolverhampton or any other NHS hospital, independent treatment centre or accredited private hospital in the country.

In **County Durham**, £50,000 is being spent tackling healthcare-associated infection from another angle. Staff want to look at the prescribing of antibiotic drugs to ensure the right drugs are being taken in the right way. Over-prescribing and inappropriate prescribing of antibiotics can lead to resistant infections emerging.

A new clinical pharmacist will be appointed to provide expert advice to and to work with doctors and nurses at **County Durham and Darlington NHS Foundation Trust**.

At the opposite end of the country, **Plymouth Hospital NHS Trust** will spend £50,000 on rapid testing equipment to provide test results for MRSA and other infections within two to three hours of admission as opposed to two to three days.

In **Suffolk**, the **Ipswich Hospital NHS Trust** is spending £500,000 on a major drive to improve cleaning including a state-of-the-art cleaning system using microfibre technology to deliver the highest possible standards of hygiene and cleanliness.

## Tailored midwifery services

Money is being spent on maternity services to make sure that mothers and babies get the best start in life. **West Essex PCT** feels there is a particular need to tailor

aspects of its midwifery service towards vulnerable pregnant women who may be drug users or the victims of domestic violence.

For £120,000 the PCT intends to tackle the issue by creating Sure Start midwifery and health visitor teams that will look after vulnerable pregnant women from pregnancy until birth. The scheme is designed using clinical evidence which demonstrates that early intervention like this can lead to healthier children and more confident parents.

PCTs around the country are also drawing up and publishing local proposals for how they intend to improve maternity services by increasing choice and continuity. By 2009, all women should be guaranteed a choice and continuity of maternity care from pregnancy to postnatal care.

This is a priority for modern maternity services. For some, especially the more vulnerable and disadvantaged, the outcomes are unacceptable. Some women are up to 20 times more likely to die from a pregnancy-related complication than other women, and infant mortality rates are higher in more deprived areas of the country and among more vulnerable or disadvantaged groups.

## 24/7 end-of-life care

Better care at the end of life was a particular concern during the *Your health, your care, your say* consultation. Hospitals are not always the best environment for care at the end of life and most people say that they would prefer to die at home. There is now a clear commitment to offer patients choice and to give families the 24-hour professional support they need to have confidence to care for someone during the final days of their life.

PCTs are now forming networks to commission palliative care across social services, GP practices and hospitals.

This year, the **Pan-Birmingham Palliative Care Network** will spend £60,000 to provide 24-hour pharmacological advice, training for staff on palliative care drug use and ensuring their 60 pharmacists hold the right drugs in stock.

Before the service was set up, patients had to be admitted to hospital to get support and pain-relieving drugs when they were needed out of hours. This was often against their wishes.

Dr Diana Webb, Palliative Care Consultant and Clinical Director of the Network, said: "Access to drugs means we can manage patients' symptoms 24 hours a day, 365 days a year. This has helped enormously in our aim to support patients to remain at home for their last days of life, if they so wish."

## Obesity prevention and management

PCTs are also responding to growing concerns about childhood obesity with innovative approaches. Local action must be focused on prevention and on the management of obesity.

The foundation for local action is better information about the weight and height of children. PCTs, working closely with schools, are collecting this information through the National Child Measurement Programme. Local strategies to prevent and tackle obesity are based on the joint goals of promoting healthy eating and physical activity.

The Jamie Oliver approach is being pioneered by the Healthy Living Centre in **Bourneville, Weston-super-Mare**. Health visitors give each family five 90-minute sessions and show them how to prepare healthy meals with their own utensils.

Conchita Amende, who runs the programme, said: "There is evidence to suggest there has been a decline in cooking skills over the last few decades which has resulted in a greater reliance on convenience food. This may be a contributing factor to the rise in the numbers of people who are overweight, obese and have diabetes."

More than £150,000 is being spent in **Darlington** to refer children and young people to a community-based weight management service. Dr Tricia Cresswell, Director of Public Health, explained: "Tackling obesity is one of our most important local public health priorities. Unfortunately, the local population has high levels of obesity in adults and, even more worryingly, in children. These new services will help those people who already have serious problems related to their weight."

In addition, this year will see the NHS spend more money than ever before on drugs and surgical interventions for the morbidly obese.

## Personalised mental health care

The NHS has already gone some way towards modernising mental health services. There are now more than 700 specialised mental health teams across 60 mental health trusts:

- 250 assertive outreach teams – keeping in touch with patients who might not otherwise take drugs or attend appointments;
- 340 home treatment teams – an alternative to hospital treatment for people who are in a crisis but prefer to recover at home; and
- 120 early intervention teams – quick and comprehensive support for the 7,500 young people who suffer their first psychosis every year.

As a result, 85,000 people were treated at home last year and PCT spending programmes this year reflect the need to maintain this momentum.

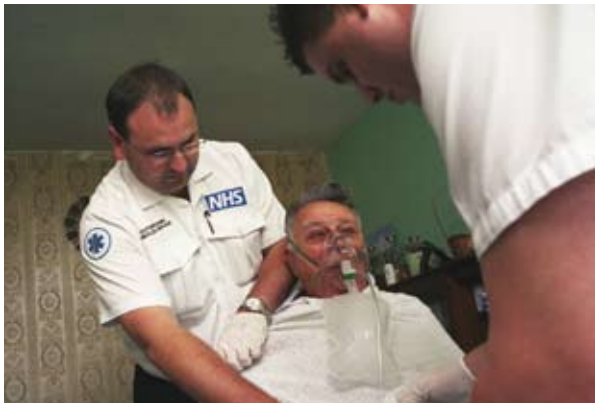
Making an intervention at an early stage of a mental health problem is vital. That is why **Surrey PCT** is investing £750,000 in a well-being service. The objective of the service is to stop referrals to secondary care by catching people early. The project will help people with mild to moderate mental health issues and support family and friends through a diverse range of services provided either by the PCT or voluntary groups. A strong focus of the service is on helping people with the social problems that can be the root cause of anxiety and depression. People will receive help finding a place to live, a job or getting back into education.

More money is also being spent around the country on early intervention programmes and the home treatment of people with mental health problems.

**Lincolnshire Teaching PCT** and **Lincolnshire Partnership Trust** have plans to spend £900,000 recruiting 20 new staff to provide rapid access to mental health services and psychological therapies. The scheme is a response to users' wishes. They told the PCT they would prefer access to 'talking therapies' and self-help projects rather than hospital-based treatment.

At the other end of the mental health spectrum, **South Tyneside PCT** will be investing almost £2 million in a new psychiatric intensive care unit which will allow complex cases to be treated closer to home.

## Reducing emergency admissions




**East Midlands Ambulance Service** will spend £375,000 this year enhancing its emergency care practitioner programme. This money will train 20 more ambulance staff in assessment skills and diagnostic testing.

The initiative means that paramedics are able to treat patients in the comfort of their own home without the need to be transferred to hospital. They carry out procedures that previously could only be done in hospital. The paramedics are allowed to prescribe a limited range of medication and often take patients direct to specialist wards, bypassing A&E.

Mick Gregory, Ambulance Manager, said: "This is a very effective way of providing patient care and improving our service. We reduce unnecessary hospital attendance and waiting times at A&E ... and deliver high-quality care in people's homes."

Local initiatives mean there are sustained improvements in patients' experiences because money is being spent on proactive schemes.

## Sexual health services

About 100,000 people each month attend sexual health clinics. From April 2008, every person attending a clinic will be offered an appointment within 48 hours of first contacting the service, compared with 50% who were offered appointments within 48 hours in August 2005.

In **Bassetlaw**, the PCT is establishing a new service in the town centre where young people can drop in for advice and help with sexual health and contraceptive services at times that are convenient to them.

Small local initiatives can have a significant impact. Kaye Bramhald, a Sexual Health Outreach Worker, is employed by the **County Durham PCT**. She has trained a team of 10 staff to distribute condoms to students attending further

education colleges. This has given them the confidence to discuss basic sexual health issues with young people, including relationships and consent. While explaining correct condom use, staff also increase awareness about the risk of sexually transmitted infections.

## Healthy lifestyles

Local action on smoking makes a vital contribution to national initiatives. In 2007/08, the NHS Stop Smoking Services plan to help at least 370,000 smokers remain quit at four weeks. Many of these people will try to quit when the national smoke-free legislation comes in on 1 July. This will make a total of 1.5 million people helped to quit by NHS Stop Smoking Services between 2003/04 and 2007/08.

In **the City and Hackney**, the PCT has held focus groups to identify ways of making smoking cessation services more accessible to its local population. This has enabled people to access the services through pharmacies and their local hospital, as well as through their GPs.

The PCT and city council in **Newcastle** are working together to ensure that the implementation of the smoke-free law is a success. They have formed the Smoke Free Newcastle Alliance to help the 70% of smokers in the city who wish to quit. Dr Danny Ruta, Acting Director of Public Health says: "Smoking remains the biggest cause of premature death and preventable disease in Newcastle and this is why the smoke-free law is so vital to our efforts."

**Ashton, Leigh and Wigan PCT** is about to spend £6 million to risk assess everyone aged between 50 and 74 for coronary heart disease (CHD) and stroke. Patients with a high risk will be invited to receive a consultation on their lifestyle and the appropriate use of medication. **Greater Manchester** has one of the worst life expectancy rates in the country and clinicians know that much cardiovascular disease is preventable if detected early enough.

In London, **Tower Hamlets Teaching PCT** is carrying out a similar exercise to prevent the predicted rise in cardiovascular disease and diabetes in the area's Bangladeshi community; while **Hull** is spending £150,000 giving health checks to the over-50s when they visit their GP.

Swift rehabilitation is also high on PCTs' agenda for 2007. Jon Wiltshire benefited from cardiac rehabilitation services provided by **Eastern and Coastal Kent PCT** and is encouraged by its decision to place a further £580,000 into improving the service this year.

Mr Wiltshire said: "It is so important that we get this kind of support. After my triple bypass operation I was encouraged to think more positively about myself, eat a healthy diet, take regular exercise of the right kind and understand my condition so that I could manage it without panicking... I have rebuilt my confidence and now live a normal, useful life again."

These types of initiatives are directed not only at providing a better service but also at reducing health inequalities. Tackling this issue is a national priority but PCTs are in a better position to identify the issues that require local attention. PCTs now work with councils to target issues such as life expectancy and sexual health.

**Somerset PCT** will be extending its chlamydia screening programme to 15- to 24-year-olds at a cost of £247,000. Nationally, one in every 10 people in this age group has a chlamydia infection, so PCT staff will be going in to schools and colleges to test people and raise awareness about the infection.

## Local inequalities

In some parts of the country, PCTs are concerned about areas with low numbers of GPs. In **Barking and Dagenham**, the PCT is investing £1.6 million per year over five years to attract an independent company to provide the NHS with a new GP practice and walk-in centre. The PCT believes the new facility will reduce A&E attendances and the size of GP lists in the area. Within a year, the facility will have a walk-in centre able to see 100 people per day.

**Portsmouth** is tackling its low life expectancy by spending £763,000 educating people at risk about what their lifestyle is doing to their health. Dr Paul Edmondson-Jones, Director of Public Health and Well-being, said: "This will enable residents to make informed choices about how, when and where they want to take up opportunities or access services that will help them change their lifestyles."

In **Walsall**, the PCT is investing £300,000 in health trainers to help people have a healthier lifestyle.

# Building projects

At least £600 million of public money will be spent on new hospital schemes, GP surgeries and equipment in addition to the hundreds of millions invested by the private sector through NHS Local Improvement Finance Trusts (LIFT) and private finance initiative schemes.

## Community projects

During 2007, NHS LIFT will continue to deliver one new primary healthcare building a week for patients to use. This building programme is creating a nationwide infrastructure of modern accessible care, often in the heart of deprived communities.

For example, **Manchester PCT** opened the **Wythenshawe Forum Health Centre** to patients in May 2006. This £4.7 million building is located in one of the largest public housing estates in Europe. It provides space for two GPs as well as physiotherapy, speech and language therapy, orthoptics, podiatry, dermatology, mental health teams, district nursing, health visitors, baby clinics, exercise referral, a community alcohol team, family planning, a minor operations suite and an NHS walk-in centre.

Through a collaborative project with the School of Dentistry at the University of Manchester, there is also an innovative dental service, allowing dental students to work alongside qualified dentists to provide treatment for vulnerable patients, particularly those with challenging medical conditions, social and behavioural problems and dental phobias

This year similar projects will be funded at **Keyworth** (£4.7 million) and **Rainworth** (£3 million) in **Nottinghamshire**, which will bring state-of-the-art centres and services to the local community.

Following the *Our health, our care, our say* White Paper, PCTs are also listening to the public and bidding for money to build new community hospitals.

**Yorkshire and the Humber SHA** is backing a bid for £13 million to build two community-style hospitals in **Calderdale** and **Huddersfield**. The centres will concentrate on treating people with long-term conditions.

Dr David Wild, a GP and Co-Chair of Calderdale PCT's Professional Executive Committee, said: "We have listened to what people have said about designing services based on the needs of patients and carers, not around hospitals and budgets."

In **Hillingdon**, £2 million will be spent on a new generation of urgent care centres to treat people with minor injuries and ailments, which currently represent 15% of an A&E department's workload. In **Washington**, near Sunderland, almost £9 million is being spent on a new primary care centre close to a major shopping mall. The centre will include a walk-in minor injuries unit, a renal dialysis unit, a diagnostic and treatment unit (X-rays, ultrasound, cystoscopy and endoscopy services) and sexual health services.

# Conclusion

As can be seen, the NHS is not contracting. Instead, 2007 will be another year of record expansion with the benefits firmly focused on patients and local communities. By 2008, the NHS will be fully equipped and staffed to meet the next set of challenges. Growth will continue but it will be steadier.

The financial discipline and reforms put in place over the last two years will pay off and for the first time the NHS will know what it is spending and what it is receiving.

The NHS's financial system now provides clinicians and managers with the opportunity to take responsibility. The system is transparent and consistent. All NHS finance directors now understand their yearly and recurrent financial performance and, for the first time, like-for-like comparisons can be made. And the financial system is now independent. NHS boards will have to take responsibility for the financial consequences of their decisions.

Many organisations still need to live within their means but the additional revenue ensures that services can be maintained and local needs addressed as well.

This year marks the beginning of a phase of reform which will focus on building a dynamic NHS, fully accountable and responsible for its spending.

The 10-year plan rejuvenated the NHS; now we have to encourage a culture that can thrive in an environment where patients can choose and an organisation's finances are based on a principle we all understand – being paid for the work you do.

Our vision now rests on NHS staff using the new tools, such as practice-based commissioning, national tariffs and patient choice, and infrastructure to improve the quality of services. Their actions will be governed by rules, not targets, and their aim is to promote health, reduce health inequalities and deliver the best possible care and outcomes for the population.

The strategic direction of the NHS is now being set by the *Our health, our care, our say* White Paper which outlined, after extensive consultation, how the public wanted us to improve community services and place greater focus on prevention, well-being and delivering services closer to people's homes.

People told us that as well as quicker care they wanted flexible and convenient care integrated with social care. PCTs must listen and respond to patients and the public. They use this knowledge to ensure services are flexible and shaped around local needs.

So this year's additional £8 billion will be spent locally on local needs. The diverse spending priorities outlined in this report underscore the move from the old monolithic, monopoly NHS to a responsive system where every NHS provider and member of staff has the right incentive – to provide the best for patients and the public.



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