

Maximising the value of short-term NHS funding: what have we learned through evaluation?

Strategy Unit short report

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Context

Here at the Strategy Unit we have carried out many evaluations of funding programmes designed to provide short, sharp financial bumps to services that have suffered from recent chronic under-investment. These are often services that are designed to reduce avoidable hospital re/admissions and were particularly hard hit during the COVID pandemic when resources were directed away from them.

We all know the NHS is subject to much uncertainty around its budgets, and annualised tension permeates all 'non-essential' services as every new financial year looms. This is a reality. What is also a reality is that many of these services have come to rely on short-term funding to plug the gaps that will allow them to (often at best) provide the minimum requirements. There is a risk then that this funding can be viewed as papering over cracks rather than bringing about sustained improvement.

As evaluators, we are increasingly commissioned to assess such short-term funding schemes. Funding is usually offered for 12 months and allocated according to a set of priorities linked to delivering a national policy directive in the clinical area of interest. Services are normally asked to submit proposals for a slice of the available funding cake.

This paper is not a criticism of services who access such funding, or commissioners who provide it. As we have witnessed through our work these parties do an excellent job with the tools they are provided with. Having evaluated the results of many of these funding schemes what we offer here are some reflections on what we have learned from them. These suggestions are designed to support designing and delivering schemes *within* the restrictions imposed by short-term funding arrangements, as well as focus attention on ways to identify the value in the investment made. This represents evolution not revolution; learning from and applying experience. They are grouped in two ways: suggestions for commissioners when designing a short-term funding scheme; and things that can support funded projects to deliver and sustain interventions.

Designing a short-term funding scheme

Projects that make use of 12-month funding schemes don't start the day the money is released

Money takes time to filter down from national funding pots to the end user (typically clinical services). Projects then have to be planned, approved and set-up (possibly including the recruitment of new staff). The first financial quarter (at least) following the funding release is really dedicated to these activities, which are often not costed into projects. Actually spending the money usually happens after these things are done. This means 12 months of funding will rarely be spent 'in-year'. The result is project teams having to negotiate with their finance teams whether they can use the funding into the next financial year – and this is often not possible. Immediately then, 12 months of funding can become nine, or six; you get the point. A better way would be for the funding scheme to release the money in stages. Stage one funding to support set-up, and then, *if* everything is in place to deliver, release the funding for the full project, which may need to be split across financial years to allow them to make full use of it and build in time to demonstrate results (more on this later).

Funding schemes need to be clear (and realistic) in their expectations and design a proposal process that matches these expectations

Short-term funding schemes tend to fund projects of three main types: projects designed to solve a short-term problem using well-rehearsed methods; pump-priming sustainable transformation; and piloting innovative solutions to existing challenges. The last two may cross-over - innovation is likely to form part of transformation. We have seen all three types funded under the same scheme using the same proposal process, but each has very different activities, objectives and timelines for providing benefits. Proposal processes should be adapted depending on the type of project they are funding. We suggest:

- Funding for short-term interventions to resolve discrete and finite challenges using tried and tested methods should have a proposal process that is light-touch. Interventions that will be funded should be clearly defined based on the evidence base. Prioritise speed of getting the funding out as the results can already be confidently assumed
- Funding proposals for transformation should be rigorously tested by subject matter experts, and judged primarily on: their deliverability (for example, does the project have the support of senior leaders who will advocate for it); having clear, measurable success criteria, with good quality data to support them (something we'll return to again); and evidence of commitment from local commissioners to sustain the transformation if these criteria are met. Transformation projects take a good deal of energy to deliver, and the goodwill of healthcare staff will erode if their efforts come to nought in the end, even if they deliver what was asked of them

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- Funding proposals for innovation projects (whether a single pilot or part of wider transformation work) should identify opportunities for sharing wider learning. Might the innovations planned have wider application? If so, proposals should either come with a commitment to participate in a national evaluation (that will need to be paid for out of the overall funding pot) or provide evidence that they will be evaluated locally. A single national evaluation can apply a consistent analytical method and identify control groups; comparing the results of the innovation with a similar service/place that has not adopted it. Any evaluation of innovation should be published and have a dissemination plan from the start.

So, projects delivered via short-term funding schemes take a lot longer than is usually planned for - and this should be factored in - and the proposal process should be designed according to what funders want to get out of it. This leads us to the next suggestion.

If long-term service transformation is the goal, and/or sustaining an innovation that has demonstrated value, schemes will need to align funding and evaluation with local commissioning decisions

Embedding change delivered by time-limited national funding is very difficult and has two essential requirements. The first is local commitment to sustain work if it meets certain, agreed criteria. The second is a plan for providing this evidence at a time that aligns with local commissioning decision-points. Often, projects are only just getting started when local commissioning decisions are being made or have ended and disbanded because the money has run out months before. Staff recruited on short-term contracts have been and gone. Many good projects have been lost to the ether because of this. Local commissioning decision points should inform when funding is provided and for how long. Staff contracts should factor in time to evaluate at the end. Relevant decision-makers should also be signed-up to review projects as part of system financial allocations. Fundamentally here, consideration should be made to what is the minimum required length of time a funded project needs to demonstrate its effect, and when and how does this effect need to be demonstrated to align with local commissioning cycles.

Supporting projects that have received short-term funding

Getting the funding process designed in a way that will identify value and ensure local oversight is one thing. The final set of suggestions are for what the funding programme's support offer might look like to help projects deliver what they have described in their funding proposals.

Embed forums for shared learning into the funding scheme and make commitment to these contingent on receiving the funding

We often see different projects funded as part of a national scheme struggling with similar issues (yes, always recruitment and Information Governance) but by the time this is reported it can be too late to act. A community of practice, led by the funder - at least during the suggested stage one (set-up) - can be a vital resource for sharing problems and solutions. One service may have developed a data sharing agreement, for instance, whereas another hasn't got a clue where to start. These are all NHS resources that should be shared and not protected.

Business cases take experience to write

If a service is going to have any realistic shot at continuing the work enabled by short-term funding, they'll likely need to write a business case. Knowing what a good one looks like is something whole jobs are dedicated to, but we often expect busy clinical leads to write them with limited experience of doing so. Templates and guidance on how to turn a project into a business case should be baked into short-term funding schemes.

Agree what data will be collected to monitor a project

Short-term projects can get lost in data and can rarely rely on skilled analytical resource to conduct a comprehensive impact evaluation. The key here is agreeing a small set of measures (no more than five) against which good quality and comprehensive data can be provided, from before and after the project intervention. Data collection can be an after-thought, and not answer the questions local commissioners want answered to make decisions to whether to transition the work to business as usual. Projects should be supported, including through the identification of the right resource, to identify and agree the processes for data collection and reporting as part of the funding agreement. Evaluators can help with this from the start.

Why is this important?

These suggestions are based on our experience as healthcare evaluators. We recognise that there are always constraints in making best use of NHS money and short-term funding is subject to these. However, by investing more time and flexibility in the proposal process, aligning delivery plans with when local commissioning decisions are made, and providing the right support to our investments, we believe better value for money can be achieved. This will more closely reflect the hard work and dedication of the teams involved in these schemes and the projects they fund.

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