

The Darzi Review: Independent investigation of the NHS in England

On 12 September 2024, the Rt Hon. Professor the Lord Darzi of Denham published the findings of his investigation of the NHS in England. The investigation was commissioned by Wes Streeting, Secretary of State for Health and Social Care, on 11 July 2024.

This briefing highlights the key points from the document and includes NHS Providers' view.

Introduction

As set out in the [terms of reference](#), Lord Darzi's investigation focuses on 'diagnosing' the problems facing the NHS, and provides an assessment of access to care, quality of care, and the overall performance of the health system. Given this remit, the health of the nation and social care system are only explored in so far as they impact on the NHS.

The [report](#) details the current performance of the NHS, and builds a picture of a system where long waits are the norm, quality of care is mixed, productivity is low, and too great a share of the budget is spent in the acute sector.

The key drivers of these challenges around performance are described as: funding austerity and capital starvation; the impact of the Covid-19 pandemic and its aftermath; lack of patient voice and staff engagement; and management structures and systems. The 2012 Health and Care Act is also noted as a costly and distracting process.

Lord Darzi views the structural reforms brought in by the 2022 Health and Care Act as a positive step but calls for greater clarity around the roles and responsibilities of integrated care boards (ICBs). Likewise, NHS managers are viewed as essential to tackling some of the challenges outlined in the document, with a call for greater investment to ensure there are 'more and better leaders.'

While specific policy recommendations are also outside of the scope of the investigation, Lord Darzi sets out the major themes to be explored in the upcoming ten-year plan for the NHS, led by the Department of Health and Social Care (DHSC). These include to:

- Re-engage staffing and re-empower patients.
- Lock in the shift of care closer to home by hardwiring financial flows.
- Simplify and innovate care delivery for a neighbourhood NHS.
- Drive productivity in hospitals.
- Tilt towards technology.
- Contribute to the nation's prosperity.
- Reform to make the structure deliver.

Key findings: performance of the NHS

Health of the nation

An ageing population is the most significant driver of increased demand for healthcare. For example, the majority of people aged 65-74 will have at least one long-term condition and 40% will have two or more. However, many of the social determinants of health - such as income, housing, education - are also moving in the wrong direction. Pressures in social care, and cuts to funding for the public health grant, are also crucial context for the health of the nation and the performance of the NHS.

Access to NHS services

The NHS's constitutional standards, which sit at the heart of the social contract between the NHS and the public, are not being met. Performance on access to care has been declining, for example:

- Nearly 10% of all patients are now waiting for 12 hours or more at A&E.
- The 62-day target for referral to first treatment for cancer has not been met since 2015.
- As of June 2024, more than 1 million people were waiting for community services, including 500,000 people waiting over a year, 80% of whom were children and young people.
- As of April 2024, about 1 million people were waiting for mental health services.
- Autism and ADHD are areas of particular concern, with long waits for assessment and treatment despite increased activity. For instance, since 2019 the number of adults and children waiting at least 13 weeks for an autism assessment has increased by 65% and 77% a year respectively.

Quality of care in the NHS

There is a mixed picture on quality of care. For the most part, people receive high quality care from the NHS. There have been improvements in patient safety in recent years, with more error-free care in hospitals and a reduction in the number of suicides in inpatient mental health facilities. New

innovations, like virtual wards, are also contributing to reductions in attendances and admissions to hospital, as well as reduced length of stay in hospital.

However, clinical negligence claims are at record levels, and significant areas of concern remain. For instance:

- **Maternal deaths** have been increasing since the Covid-19 pandemic. Complexity in care needs has been increasing, but numbers of midwives has fallen, and the recommendations from a series of inquiries have not been universally adopted.
- **Children and young people's** physical and mental health has been deteriorating over recent years, and there are challenges in young people being able to access acute, mental health and community services.
- Mortality rates for people with **serious mental illnesses** has been increasing, and there is a lack of suitable accommodation for inpatients.
- There is scope to reduce **avoidable deaths** from cancer, cardiovascular disease and suicide.

Health protection, promotion and inequalities

Health protection

Infectious diseases, including Covid-19, remain a major challenge for all health systems. Despite important progress in the UK, there is further to go to tackle the threat of anti-microbial resistance.

Health promotion

More needs to be done to tackle obesity and regulate the food industry. Childhood obesity rates for 10-11 year olds have risen, and the prevalence of diabetes across the whole population has increased from 5.1% in 2008 to 7.5% in 2022. Cuts to the public health grant have contributed to this and have been deeper in more deprived areas. A focus on public health is key to reducing premature mortality and time spent in ill-health, as well as on reducing pressures on the NHS and strengthening the economy.

Health inequalities

People living in poverty are getting sicker and accessing services later. People who live in the most deprived areas of England are twice as likely to wait more than a year for non-urgent treatment. This leads to more acute illness and poorer outcomes. There are also concerning disparities in access to care and outcomes for homeless people, those with learning disabilities and carers.

Where and how the money is spent

During the pandemic productivity in the NHS declined far more significantly than the economy as a whole or the wider public sector. It remains below 2019 levels.

Underinvestment in care delivered in the community is contributing to high demand on hospitals. Although successive governments have promised to shift care away from hospitals and into the community, expenditure and staffing numbers have grown faster in the acute sector than elsewhere, while the number of health visitors fell by 20% between 2019 and 2023. This is reinforced by performance standards focused on hospitals, not primary, community or mental health services. Likewise, single-year budgets reinforce the status quo.

Although ICBs have duties around improving population health, roles and responsibilities remain unclear, hindering progress on population health management.

Health and prosperity

At the start of 2024, 2.8 million people were economically inactive due to long-term sickness, and more than half of the current waiting list for inpatient treatment are working age adults. Being in work is good for wellbeing, having more people in work grows the economy, and creates more tax receipts to fund public services. Improving access to care is a crucial contribution the NHS can make to national prosperity.

Key findings: drivers of performance

Funding, investment and technology

Spending growth sat at around '1% per year in real terms' during the 2010s, much lower than the long-term average of 3.4%. In 2018 the government committed to increasing spending by 3.4% annually for five years. However, actual increases fell at just under 3% for 2019-2024, and this did not include capital spending, medical training, nor any increase in public health expenditure.

In terms of per capita spending, the UK spends about \$5,600 per person on health, similar to the EU15 average but below countries where English is predominantly spoken and the Nordic countries.

Capital investment peaked in 2009, declining sharply after this date. This led to deteriorating infrastructure, outdated technology, and a significant maintenance backlog. During the 2010s, a substantial capital gap opened between the UK and other countries. A shortfall of £37 billion in capital investment has further exacerbated these issues.

The report outlines key figures demonstrating the strain on capital investment, including:

- The backlog maintenance bill now stands at more than £11.6 billion.
- £4.3 billion was taken from capital budgets between 2014-15 and 2018-19 to cover in-year revenue deficits.
- 20% of the primary care estate predates the founding of the health service in 1948.

The impact of the Covid-19 pandemic

The NHS entered the Covid-19 pandemic after a decade of austerity and underinvestment, which left it with fewer resources and lower resilience compared to other high-income health systems. The pandemic strained health systems globally, but the NHS was particularly impacted, with higher excess mortality rates and significant drops in routine care. Overall, hospital discharges in the UK decreased by 18% between 2019 and 2020, the largest drop among comparable countries.

Key points include:

- **Low resources and squeezed capacity:** The NHS had higher bed occupancy rates and fewer doctors, nurses, and beds than comparable health systems.
- **Severe impact on routine care:** The NHS delayed or cancelled more routine care than other systems, with significant drops in procedures like hip and knee replacements. For example, hip replacements in the UK fell by 46% compared to an OECD average of 13%.
- **Increased mortality:** The UK had higher excess mortality rates compared to other countries. The health of the population had also deteriorated in the years leading up to the pandemic – making it less resilient to infectious disease since it was less healthy going into the pandemic.
- **Reduced healthcare access:** Reductions in interactions with primary care due to lockdowns meant fewer physical and mental health problems could be identified, hindering early detection and management of health conditions.
- **Mental health:** The pandemic significantly increased the need for mental health services.

The NHS's current state is heavily influenced by these factors, with ongoing challenges in recovering from the pandemic's impact.

Patient voice and staff engagement

The voices of patients and the public are not sufficiently heard

Patient satisfaction with the NHS has declined, complaints have increased, and patients feel less empowered to make choices about their care. There is potential for greater patient involvement in designing services.

A recurring issue in care failings is that patients' concerns are not being heard or addressed. Consequently, the NHS is paying nearly £3 billion in compensation for care failures, which is about 1.7% of its total budget.

Disabled people, those with long-term conditions, and women are disproportionately affected by poor communication. Making data more publicly available and involving local communities in decision-making could also help the NHS become more responsive and accountable.

Many staff experience feelings of powerlessness and detachment

Many NHS staff describe feeling disempowered and overwhelmed. Around 60% would recommend their organisation as a place to work, and 65% as a place to receive care.

Staff feel that NHS organisations lack a sense of common purpose. Chronic underinvestment in processes and infrastructure leads to challenges, adding to staff frustration.

There has been a reduction in discretionary effort, with fewer staff working beyond their contracted hours. Sickness absence rates have also increased since the pandemic. The most common reason cited for sickness absence was anxiety, stress or depression or other psychiatric illnesses.

Psychological impact of the pandemic and its aftermath

The pandemic has deeply affected the psychological wellbeing of NHS staff. NHS Practitioner Health, which treats health and social care professionals with mental health and addiction issues, saw a surge in registrations during the pandemic. The pandemic continues to affect the NHS, having a major impact on industrial relations including strikes. Staff felt undervalued despite being praised during the pandemic, especially regarding pay settlements.

Cultural challenges in the NHS and leadership

Cultural challenges within the NHS, such as concealing problems and retaliating against whistleblowers, persist. Effective leadership is essential in tackling these issues, and will require further investment in NHS leaders. The 2022 report by General Sir Gordon Messenger and Dame Linda Pollard highlighted issues around the training and development of leadership and management and recommended improvements, which NHS England has started to implement.

NHS structures and systems, including the role of ICBs

The Health and Social Care Act of 2012 had a 'disastrous' impact on NHS management, leaving long-lasting effects.

The 2022 Act introduced integrated care systems, creating a more coherent management structure with headquarters, seven regions, and 42 ICBs. However, there are still different understandings of roles and responsibilities between ICBs, including how far they are responsible for the performance management of providers. More consistency and standardisation in the organisation and functions of ICBs is needed. There is also a need to revitalise the framework of national standards, financial incentives and earned autonomy to reflect the shift from competition to collaboration.

Frequent reorganisations within the NHS are expensive and disruptive, hindering efforts to enhance care quality and efficiency, as is the growth in the number of organisations that exert some degree of regulatory or policy influence on providers. Senior leaders spend considerable time on internal management instead of focusing on local NHS issues.

The performance of the NHS is shaped by its internal systems, processes, resources, and structures. Key themes include:

- **Planning blight:**
 - The Health and Social Care Act 2012 divided functions between a number of organisations, leading to delays and complications in planning.
- **Data and performance management:**
 - The NHS has focused data collection on acute hospitals, with limited data on mental health and community services. This lack of data limits understanding and management of these sectors.
 - The Hewitt Review recommended a focus on fewer key priorities to improve accountability and performance.
 - The performance management framework needs to change, at pace, to clarify the role of the ICB with regards to provider trusts.
- **Incentives for performance:**
 - There is a tension between protecting funding for specific services and devolving decision-making. NHS England plans to devolve specialised commissioning budgets to ICBs.
 - There has also been a shift in payments away from activity-based mechanisms, although they remain in place for elective care. This can impact on clinical productivity.
 - Trusts are no longer able to advance to foundation trust status, driving frustration among organisations that funding is available to invest, which they do not have the freedom to spend.
- **Regulation and quality of care:**
 - The interim findings of the review of the Care Quality Commission (CQC) by Penny Dash has found significant internal failings and a deterioration in the ability of the CQC to support quality improvement.
 - The CQC has also been criticised for emphasising inputs over outcomes, contributing to an increase in the numbers of hospital clinicians.

- **Competition and quasi-markets:**

- The 2022 Act removed the competitive tendering requirement, but the result is an incoherent service delivery pattern. Despite moving away from market-based approaches, the NHS has not fully adopted the planned alternative.

NHS Providers view

Lord Darzi's investigation explores the significant challenges facing the NHS, the reasons for this, and the impact this is having on patients and service users. We welcome the investigation's timely and perceptive diagnosis of the problems facing the NHS, and its assessment that, although in a critical position, it is fundamentally not broken.

The report lays bare the breadth of issues facing the NHS today and the areas where improvements are needed for patients and for staff. From population health, to waiting times, quality of care, the patient voice, to investment and technology, it is clear that the sector will need to work closely in partnership with the new government to find solutions.

Lord Darzi is right that structural reform is not the answer to the problems facing the NHS. There is great potential within existing structures, but the investigation is also right in highlighting the need for clarity regarding the role of ICBs. We welcome Lord Darzi's call for the responsibilities of ICBs to be clarified 'at pace'. This resonates with many of the challenges trust leaders identify around system working.

We believe that for system working to deliver on its four core aims to improve population health and healthcare, tackle inequalities, enhance productivity and value for money, and support broader social and economic development, there needs to be an equal partnership between ICBs and trusts. There must also be a shared long-term focus on population health and inequalities. For this to work, ICBs should not be asked to performance manage trusts and should not be given a quasi-regulatory role which does not have statutory underpinning.

Related to this, Lord Darzi's review also gives an accurate assessment of the challenging regulatory environment facing trusts, and the issues described around the CQC's role echo concerns raised by trust leaders. Independent regulation and oversight are vital mechanisms to ensure transparency and accountability, but as the investigation suggests, there is an opportunity to both streamline and improve this (as being explored by Dr Penny Dash's review).

We welcome the investigation's emphasis on the importance of the NHS workforce in addressing the pressures Lord Darzi outlines. The investigation rightly highlights the essential role of NHS managers, and the need for greater investment to develop 'more and better leaders', rather than reduce numbers.

Likewise, we welcome the investigation's focus on the need for capital spending, to not only improve estates for the benefit of staff and patients, but also to boost productivity and improve capacity. Again, this reflects what trust leaders have been **telling us** about the central role of capital funding in creating a sustainable NHS for the future.

The investigation also makes important and powerful points on the need to shift care into the community, and the need for financial flows to follow these ambitions to ensure they become a reality.

It is helpful to see Lord Darzi highlight the challenges facing children and young people in accessing NHS services, and in the resilience of the child health workforce. As outlined in our recent **Forgotten Generation** report, the health and wellbeing of children and young people must be a cross-government priority.

Finally, we agree that many of the solutions to the problems identified can be found in parts of the NHS today. NHS Providers will continue to work with key national stakeholders, including DHSC, to share examples of good practice that can support the development of the reform agenda described by Lord Darzi.

NHS Providers press statement

Darzi diagnosis shows 'next generation' NHS needs capital injection

A government-commissioned assessment of the NHS in England by Lord Darzi says a desperate shortage of capital affects performance and productivity - and means the NHS isn't contributing to the nation's prosperity in the way it could be.

Sir Julian Hartley, chief executive, NHS Providers, said:

"Times are tough for NHS trusts tackling unprecedented financial and operational challenges.

"Long waiting times for patients, particularly in community and mental health services, are a symptom of years of underinvestment, stop-start funding in the NHS and major workforce challenges.

"Lord Darzi's report acknowledges what trust leaders have long called for - if we want to improve patient care and boost productivity, we need significantly more capital investment in the NHS alongside wider reforms including a shift to providing more care closer to home.

"Old, crumbling buildings, facilities, and equipment well past their sell-by date hamper care for patients. Much of the NHS estate is in a bad way. We need modern, safe places where staff can give patients first-class care in hospitals, mental health, community and ambulance services, and tackle the £11bn-plus bill for essential repairs waiting to be done. We can't afford to let this problem get worse.

"Trust leaders and their teams, working flat out to cut waiting lists and see patients as quickly as possible, need long-term investment to ease pressure, meet demand and step up productivity - all of which can help to raise the quality of care for patients.

"A healthy NHS is vital for the nation's health and wellbeing.

"With the government's 10-year plan for the NHS on the horizon, it's right that we shift our focus now to creating a truly 'next generation' health service. Focusing on the creation of a 'digital' NHS, prevention and public health and ensuring patients are cared for in the right setting are steps in the right direction. These must go hand in hand with sustainable funding and investment, an end to chronic workforce shortages and more support to meet growing demand.

"Trust leaders are ready and willing to do what they can to get the NHS back on track, ready to work with the government to get to grips with the challenges facing the NHS and social care for the benefit of patients and staff."

Busier than ever NHS 'down but not out'

Responding to a speech by the Prime Minister in response to the publication of Lord Darzi's review of the NHS and the monthly performance statistics by NHS England, the chief executive of NHS Providers, Sir Julian Hartley said:

"The NHS is down but not out.

"The sheer scale of the challenge facing trust leaders and their teams as they strive to get the health service back on track is plain for all to see.

"The NHS has had its busiest ever summer and is fast heading into what is expected to be another challenging winter with record levels of demand on A&E departments, patients still waiting far too long for care and persistent pressure on community, mental health and ambulance services.

"Due to hard work by frontline NHS staff, we are seeing much-needed progress with faster ambulance response times, fewer long waits for treatment and record numbers of patients receiving diagnostic tests, cancer referrals and treatments.

"But as the Prime Minister said today, we can't go on like this. To build an NHS fit for the future, the NHS needs to work differently and go further and faster to improve care for patients.

"With the 10-year plan for the NHS on the horizon, trust leaders are ready and willing to work with the government to get to grips with the challenges facing the health and social care system.

"Lord Darzi's prescription for reforming the health service - by creating a digital NHS, focusing on prevention and public health, and ensuring patients are cared for closer to home - is a big step in the right direction. This must go hand in hand with sustainable funding and investment, an end to chronic workforce shortages and more capital investment to boost productivity and meet growing demand.