

2025/2026 priorities and operational planning guidance

On 30 January 2025 NHS England (NHSE) published the [2025/26 priorities and operational planning guidance](#). Key priorities include reducing the time people wait for planned care, improving long accident and emergency waiting times and ambulance response times, and improving access to mental health services, particularly for children and young people. In the longer term, the government remains committed to transforming the health service by delivering on its three shifts from hospital to community, sickness to prevention and analogue to digital.

This briefing highlights the key points from the guidance document and includes NHS Providers' view. It also summarises updates to the financial framework, including the [revenue finance and contracting guidance for 2025/26](#), [capital guidance for 2025/26](#) and [NHS Payment Scheme 2025/26](#).

Introduction and key priorities

NHSE has reduced the number of national priorities for 2025/26, reflecting the government's commitment to streamline objectives for the NHS. The intention is that this will give local systems greater flexibility about how funding is deployed, and support them to focus on outcomes for patients and communities.

There is a recognition that NHS finances continue to be very challenging. Local leaders may therefore make choices to reduce or stop lower value activity to enable the service to live within its means and deliver value to taxpayers. The guidance states that NHSE and government will "stand behind" local leaders doing this.

Integrated care boards (ICBs) will lead the planning and arranging of services to deliver the priorities set out in this guidance. To do this, ICBs are positioned as "strategic commissioners".

From 2025/26, ICBs and trusts will be able to earn greater freedom and flexibility. In "mature, highly performing systems", providers will be able to take on more responsibility for leading the planning

and transformation of local services within a strategic framework set by ICBs. This will be supported by a national development programme for strategic commissioning, co-produced with NHS leaders.

A new NHS Improvement and Assessment Framework, to be published soon, will set out how NHSE will assess the performance and capability of providers and ICBs.

2025/2026 national priorities

The national priorities to improve patient outcomes in 2025/26:

- **Reduce the time people wait for elective care**, ensuring 65% of patients receive elective treatment within 18 weeks by March 2026, with each trust delivering a minimum 5% improvement. For cancer, systems should aim for 75% compliance with the 62-day diagnosis standard and 80% with the 28-day Faster Diagnosis Standard by March 2026.
- **Improve A&E waiting times and ambulance response times** compared to 2024/25. By March 2026, at least 78% of patients should be seen within four hours in A&E. Category 2 ambulance response times should average no more than 30 minutes throughout 2025/26.
- **Improve patient access to general practice** and improve their experience, while also **increasing access to urgent dental care** by providing 700,000 additional urgent dental appointments.
- **Improve patient flow in mental health crisis and acute pathways** by reducing the average length of stay in adult acute beds. And, **improve access to mental health services for children and young people**, aiming to provide care to 345,000 more individuals aged 0 to 25 compared to 2019.

To achieve these priorities for patients and service users, ICBs and providers, with the support of NHSE, must collaborate to:

- **Implement reforms to support the immediate priorities and prepare the NHS for the future.** In 2025/26, ICBs and providers should work to:
 - Reduce demand by developing **neighbourhood health service models** to prevent long and costly hospital admissions, and improve timely access to urgent and emergency care,
 - Fully leverage digital tools to transition from analogue to digital, and
 - Tackle inequalities and focus on secondary prevention.
- **Operate within the allocated budget, reducing waste and improving productivity.** ICBs, trusts and primary care providers must collaborate with other integrated care system partners to plan and achieve a balanced financial position.
- **Continue to prioritise the overall quality and safety of services**, with focus on improving challenged and fragile services, such as maternity and neonatal care.

Local prioritisation and planning

The guidance sets out the need for a 'financial reset' in 2025/26. It states that systems must develop plans that are affordable within the allocations that have been set, taking every opportunity to improve productivity and tackle waste. To support this, NHSE are removing most funding ringfences, to give systems more freedom to allocate money locally (further detail is set out in the revenue finance and contracting guidance). NHSE will also consult on changes to the national and local quality requirements in the NHS Standard Contract to align with this approach.

To stay within budget, providers will need to reduce their cost base by at least 1% and achieve 4% overall improvement in productivity before taking local pressures into account or dealing with non-recurrent savings from 2024/25 (Payment scheme proposals published alongside the planning guidance assume an efficiency factor of 2% - see below). ICBs and providers must demonstrate that all productivity and efficiency opportunities have been exhausted before considering reducing or stopping services. Reflecting the more focused set of national priorities, the Department of Health and Social Care and NHSE will reduce in size and reprioritise resources to support frontline services and improvements in productivity.

When deciding how best to prioritise resources, ICBs and provider boards are expected to explicitly consider both in-year and medium-term quality, financial and population health impacts of different options. Plans should also reflect the needs of all age groups, and explicitly children and young people (CYP).

Delivering national priorities

Reduce the time people wait for elective care

The guidance refers to the [elective reform plan](#), and sets out key expectations for systems:

- Optimise referral management, for example through use of patient-initiated follow up.
- Make at least 70% of elective care appointments (across specialties) available for people to view and manage via the NHS App.
- Validate patients on a referral to treatment waiting list after 12 weeks and then every 12 weeks.
- Minimise unwarranted diagnostic referrals.
- Implement the Further Faster methodology to optimise processes and clinic utilisation.
- Improve the experience and reduce the inequalities of care for patients receiving elective care. An NHS Quality Strategy will set out further plans.

Systems are also expected to drive further improvement in performance against cancer waiting time standards, including by:

- Maximising care for low-risk patients in non-cancer settings, and
- Improving productivity in cancer pathways.

Improve A&E waiting times and ambulance response times

NHSE will work with systems to improve levels of performance across the urgent and emergency care (UEC) pathway, including through embedding and expanding neighbourhood health services.

For 2025/26, the immediate asks are:

- **Reduce avoidable ambulance dispatches and conveyances, and handover delays by:**
 - working towards delivering hospital handovers within 15 minutes, and ensure no handover takes longer than 45 minutes,
 - improving access to urgent care services at home and in the community, for instance urgent community response (UCR) and virtual wards, and
 - improving 'hear and treat' rates, increasing the proportion of Category 2 calls, and ensuring all Category 3 and 4 calls are clinically navigated, validated and where appropriate triaged in ambulance control centres, or in single points of access.
- **Improve and standardise urgent care in hospital by:**
 - increasing the proportion of patients seen, treated and discharged in one day or less using the principles of same day emergency care (SDEC), and
 - optimising the urgent care offer, including through urgent treatment centres (UTCs).
- **Reduce length of stay in hospital and ensure patients are cared for in the most appropriate setting by:**
 - increasing the percentage of patients discharged by or on day seven of their admission, and
 - working across the NHS and local authority partners to reduce average length of discharge delay in line with the Better Care Fund (BCF) policy framework. ICBs should review BCF commitments to ensure they represent the best use of resources.
- **Set the foundations of the neighbourhood model of health by:**
 - Embedding, standardising and scaling core elements of existing practice. [NHSE's guidelines](#), published today, will support this.

In 2025/26, NHSE will publish guidance in for ICBs on the commissioning of ambulance services and a new ambulance commissioning specification. NHSE will also make capital available to increase the number of co-located UTCs in 2025/26 and support the expansion of SDEC capacity.

Improve patients' access to general practice and improve access to urgent dental care

The guidance sets out the following expectations for ICBs:

- Put action plans in place by June 2025 to improve contract oversight, commissioning and transformation for general practice.
- Continue to support the delivery of "modern general practice" and target support to practices based on their ability to provide access and a good overall experience for patients.
- Improve access to dental care by commissioning additional urgent appointments, to contribute to the government's manifesto commitment of an additional 700,000 appointments.

To help achieve this, recommendations will be made through the 'Red Tape Challenge' (due to report to the Secretary of State for Health and Social Care and NHSE chief executive in early 2025). This will support trusts to work with primary care to streamline the patient pathway and improve the interface between primary and secondary care.

Mental health crisis and acute pathways, and children and young people's mental health services

To support the national mental health objectives for this year, ICBs will be expected to meet the Mental Health Investment Standard and work with providers on the following priorities:

- Delivering the 10 high impact actions for **mental health discharges** and ensure system discharge plans include mental health acute pathways.
- Reducing waits longer than 12 hours in A&E through:
 - maximising the use of crisis alternatives, and
 - robust system oversight, implementation of the mental health OPEL framework and use of the **mental health UEC action cards**.
- Reducing unwarranted variation in the numbers of CYP accessing services by increasing the number of patient contacts per whole time equivalent hours worked.
- Reducing local inequalities in access to CYP mental health services.
- Expanding mental health support teams in line with the government's aim of 100% coverage by 2029/30.

All mental health providers will be asked to submit, implement and report against a plan to improve productivity during 2025/26.

In line with the proposed Mental Health Act reform, ICBs should work with local system colleagues to ensure there is high quality and accessible community infrastructure in place for people with a learning disability and autistic people. They should also ensure that admissions to a mental health hospital are for assessment and treatment that can only be delivered in an inpatient setting.

Address inequalities and shift towards prevention

The guidance reiterates the importance of systems explicitly agreeing local ambitions and delivery plans for vaccination and screening services, and services aimed at addressing the leading causes of morbidity and mortality. ICBs and providers are expected to work together to reduce inequalities in line with the Core20PLUS5 approach and ensure plans reflect the needs of all age groups.

Making the shift from analogue to digital

In addition to enhancing digital maturity, the guidance sets out actions for systems which support the goals of improved patient outcomes, reduced costs, and allocating more staff time for patient care:

- All providers should proactively offer NHS App-first communications to patients, ensuring digital inclusion, primarily through the NHS Notify service.
- All GP practices must enable all core NHS App capabilities, including health records access, online consultations and appointment management.
- All systems must adhere to the Federated Data Platform (FDP) First policy, connecting digital and data infrastructure to FDP, with NHSE supporting 85% adoption in secondary care by March 2026.
- All providers should transition to the national collaboration service NHS.Net Connect where feasible.
- All systems should complete planned electronic patient record (EPR) system procurements and upgrades, and trusts without an EPR should work to procure and implement one.
- All providers should deploy the electronic prescription service wherever possible.
- All providers must integrate systems with the NHS e-Referral Service.
- All providers must achieve and maintain compliance with the NHS Multi-Factor Authentication Policy and take steps to strengthen their cyber security.
- All systems should mitigate against digital exclusion by implementing the [Framework for NHS Action and Digital Inclusion](#).

Live within our means, reducing waste and maximising productivity

To reduce unwarranted variation and maximise productivity and efficiency, ICBs and providers are expected to:

- **Reduce spending on temporary staffing and support functions by:**
 - ensuring nearly 100% delivery of planned core capacity before using premium options like agency staff, premium bank rates, waiting list initiatives, and insourcing, while managing costs according to tariff prices,
 - minimising agency expenditure, with a target of at least a 30% reduction from current spending, and further reductions over the Parliament,
 - decreasing bank usage by at least 10%, optimising bank rates through collaborative arrangements across systems, and
 - conducting a thorough review of establishment growth and reducing support function spending to April 2022 level.
- **Enhance procurement, contract management, and prescribing by:**
 - adhering to established operating models and commercial standards, and utilising NHS Supply Chain's consolidated supplier frameworks,
 - maximising the value of medicines and ensuring compliance with best value frameworks in medicine and procurement,
 - reducing unwarranted variation in prescribing by following 'Low value prescribing' guidance and using biosimilars when available,
 - minimising variation in continuing care spending, and
 - Optimising energy procurement through the new national contract with Crown Commercial Services and using green plans to achieve savings from sustainable energy funding.
- **Enhance operational and clinical productivity by:**
 - developing plans to close the activity per Whole Time Equivalent gap to pre-Covid levels,
 - eliminating duplication and low-value activities, with a focus on minimising inappropriate spending against evidence-based intervention procedures, and
 - implementing all aspects of the People Promise to improve working conditions, retention, and attendance, and applying the six high-impact actions to enhance equality, diversity, and inclusion.

A comprehensive list of resources for benchmarking and identifying local improvement areas is available on the [Productivity and Efficiency Improvement Hub](#). NHS IMPACT will continue to enhance leadership, organisational capacity, capability, and infrastructure to foster improvement. Additionally, NHSE's Clinical and Operational Excellence Programme will support organisations in achieving the priorities outlined in this [guidance](#).

Next steps and plan submission

NHSE has asked ICBs to develop plans to meet the national objectives set out in this guidance by March 2025, working with trusts and wider system partners. Plans must be fully owned and signed off by ICB and partner trust boards. NHSE will separately set guidelines and supporting materials for plan development, submission and review. Boards will be asked to confirm how these have been used to inform the development and assurance of plans.

NHSE expects that ICBs, and partner trusts, will “perform a limited refresh” of their Joint Forward Plans (JFP) before the beginning of 2025-26 in anticipation of the 10-Year Health Plan and the multi-year funding settlement. Guidance can be found [here](#).

Updates to the financial framework

Revenue finance and contracting guidance

Alongside the publication of the operational planning guidance, NHSE has also published the [revenue finance and contracting guidance for 2025/26](#). This includes some proposed changes to the payment scheme which will be subject to further consultation.

In accordance with the overall framing of the operational planning guidance, plans must be set with a view to the level of resources available. ICBs and trusts should ensure that the phasing of plans is both credible and realistic, for example, plans should avoid back-loading delivery of significant amounts of efficiency savings in quarter four of 2025/26.

The 2024/25 business rules arrangements introduced bonuses to in-year capital allocations for systems that submitted and delivered breakeven financial plans. Deductions to core capital allocations were also introduced for systems failing to submit and deliver breakeven financial plans. These changes will continue to apply for 2025/26.

As part of efforts to give local systems greater autonomy, most service development funding (SDF) will be transferred into ICB core allocations and will no longer be ringfenced. Elective recovery funding will also be included in ICB core allocations, and no additional funding will be available for elective recovery beyond that included in ICB allocations. [ICB allocations for 2025/26](#) were also published alongside the planning guidance.

NHS Payment Scheme

For many trusts, the 2025/26 [NHS Payment Scheme \(NHSPS\)](#) will operate in a similar fashion to the 2023/25 NHSPS, with four different payment mechanisms governing transactions between providers and commissioners. However, virtually all NHS provider-commissioner relationships will continue to follow the aligned payment and incentive (API) approach.

NHSE has proposed changes to the NHSPS for 2025/26 through the [consultation](#) running until 28 February 2025 :

- Commissioners will be required to set payment limits for elective services, and all services paid for on an activity basis (e.g. specialised commissioning), based on the value of planned levels of activity.
- Providers and commissioners must review their fixed payment to develop a shared understanding of the value of activity being undertaken.
- Increasing the cost base by an average of 13% with reference to 2018/19 for A&E, maternity and non-elective services.
- Increasing prices for some procedures in ear, nose and throat and gynaecology to encourage increased activity.
- Update the data used to calculate market forces factor values and implement the changed values over two years.
- Introduce a new elective activity best practice tariff to encourage greater use of outpatient procedures, where clinically appropriate.
- Using a cost uplift factor of 4.15% to adjust national tariff prices for inflation.
- Using an efficiency factor of 2% to adjust cost downwards and encourage providers to continually improve their use of resources.

NHSE has also announced proposals to introduce a number of small-scale pilots that will test new payment mechanisms to support NHS priorities – such as encouraging the use of same day emergency care, virtual wards and urgent community response services. NHSE will also work with

neighbourhood health teams to develop payment mechanisms aiming to support provision of care closer to home.

Capital guidance

Although government is yet to confirm a capital settlement beyond 2025/26, NHSE has confirmed that following the publication of the Comprehensive Spending Review (expected in June), it will develop and publish capital settlements for 2026/27 and beyond. NHSE and the government have agreed that systems should assume that they will receive at least 80% of their 2025/26 core operational capital allocation in each year of this parliament.

The **2025/26 capital guidance** sets out the 2025/26 NHS capital allocation, which is split into three categories:

- **£4.9bn** for system level allocations to fund day-to-day operational investments.
- **£1.1bn** for previously committed funds (e.g. the New Hospital Programme).
- **£4.1bn** for other national capital programmes.

NHSE has also outlined proposals to introduce adjustments to the capital regime that will provide further freedoms and flexibilities for high-performing systems and providers (exclusively trusts and systems in tiers one and two of the NHS Improvement and Assessment Framework). NHSE will discuss proposals with systems in the coming weeks and confirm plans before the end of the planning process.

- **Proposal 1: Enhanced flexibility for high-performing systems:** Systems in tier one and tier two that deliver breakeven or better positions would be allowed to invest in capital expenditure above their allocated budgets for the following two years using available cash balances up to a limit set between £20m and £30m.
- **Proposal 2: Capital retention for high-performing providers:** Providers in tier one and tier two that deliver a surplus would have the flexibility to invest capital equivalent to their surplus for the following two years (subject to system approval). The capital would have to be directed towards projects that improve revenue outcomes.

NHS Providers view

We welcome the streamlining of priorities outlined in the document, and the emphasis on freeing local leaders to focus on improving care and outcomes for people and communities.

Difficult decisions and trade-offs will need to be made over the coming year. While it is positive to see NHSE and government's support for local leaders to make these choices, it is also important to recognise that reducing or stopping services will inevitably have an impact on patients and communities. It is important to recognise the extremely delicate balance that trust leaders will have to strike to deliver a very stretching productivity ask, stay within budget, while maintaining or improving the quality of care patients receive.

The priorities set out in this document, including around A&E performance, elective waits and access to mental health services for children and young people, are some of the most pressing for patients, and we understand the decision to narrow the focus over the coming year.

The targets outlined for UEC pathways will be stretching. The latest data on UEC shows that although staff are now delivering more care than before than pandemic, demand was at an all-time high throughout 2024, and this is holding back progress on meeting key targets. We look forward to the publication of the upcoming UEC plan, which we hope will support providers and systems to make improvements and deliver on these targets.

The direction of travel towards a more devolved system is positive. It will be important to fully explore the link between maturity and granting greater flexibility, particularly relating to how capability is measured and assessed.

In the longer term, the government is seeking to reform and improve the NHS through delivering on its three shifts. While the planning guidance for 2025/26 is not a transformational document framed around these shifts, there are some clear signals around commitment to achieving these profound changes. We look forward to working with national leaders on the steps needed to realise this ambition.

NHS Providers press release

"This guidance is a stark reminder of the difficult decisions and tough trade-offs facing trust leaders as they brace for another challenging year providing vital health services.

"It tasks the NHS with tackling delays and improving patient care in every setting while also demanding stringent efficiency savings.

“Streamlining priorities and freeing up local leaders to solve the healthcare challenges that matter most could drive real improvements in patient care and is a welcome step forward.

“Frontline teams have made huge strides in tackling the longest waits, but trust leaders know far too many patients are still waiting far too long for care.

“This winter has once again laid bare the challenges facing the NHS, and it is clear radical and decisive action is needed to tackle year-round pressures on health services.

“Reducing the time people wait for planned care, improving excessively long A&E waiting times and ambulance response times and improving access to mental health services, particularly for children and young people, are understandably top priorities for the year ahead.

“But the focus on these priorities doesn’t mean leaders will take their eye off the ball on other key health services. They are committed to improving services for all patients, but they will need the help and support of national NHS leaders to do this.

“The year ahead will be far from easy, but with the shift from hospital to community, analogue to digital, and sickness to prevention, trust leaders are up for the challenge. They are committed to working with the government and partners across health and care on the 10-Year Health Plan so that patients get the NHS they want and deserve.”

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