



From Andy Brittain
Director General, Finance and Group Operations
Department of Health and social Care
39 Victoria Street
London
SW1H 0EU

Dear Chair of PAC (Sir Geoffrey Clifton-Brown MP),

2024 to 2025 Revised and 2025 to 2026 Opening Financial Directions to NHS England

I am writing to you to inform you of the publication of the Revised 2024-2025 NHS Financial Directions from Department of Health and Social Care to NHS England and the Opening 2025-2026 NHS Financial Directions from DHSC to NHSE.

The Financial Directions are the way in which the NHS budget is formally set and will continue to be required pending the legislation that will be needed to put into effect the DHSC and NHSE integration. The Directions specify NHSE's total revenue and capital resource use limit for each financial year, as well as certain additional expenditure controls to which NHSE must adhere, and which are technical in nature. Two documents are published simultaneously, a revision of the budget for the current financial year and opening directions for the financial year about to begin. The 2025-2026 Directions will then be further updated if there are any changes to the budget agreed over the course of the financial year. Section 223D (4) of the National Health Service Act 2006 requires that the Directions are laid in Parliament.

The Directions reflect recent funding settlements with HM Treasury and include a number of transfers between NHSE and DHSC. The 2024-2025 revisions include additional funding received in-year for the NHS pay awards and elective recovery. The 2025-2026 total is as set out by HMT at the Autumn Budget, but with some additional funding transfers from DHSC including funding we receive from industry for branded medicines.

The Directions set administration funding, however they do not currently reflect the recent set of announcements on the future of NHSE and DHSC. The change programme to bring NHSE back into the Department of Health and Social Care will need to make more progress before we can assess the budget implications, and these will be reflected in the Financial Directions at the appropriate point.

They will be published on gov.uk. The existing NHS Mandate remains unchanged by these publications.

Yours Sincerely,

A handwritten signature in dark ink, appearing to read 'Andy Brittain', with a long horizontal stroke extending to the right.

Andy Brittain

DHSC Director General, Finance and Group Operations