

Breaking the Cycle: How to build a more productive NHS

The NHS Productivity Commission concludes that **the NHS is not set up to deliver sustained productivity growth**. Productivity, which it defines as better outcomes and patient experience from the resources available, is recovering. But recent gains rest on running existing services better and holding down input growth, which will not be enough on their own. The prize remains large and the opportunities are well known, but the NHS struggles to act on them and sustain the gains. **The Commission's answer is not more effort from staff or another reorganisation, but a reset of the conditions the NHS operates in.**



Since 2015/16, the number of consultants has **grown by 44%**, yet the NHS completed **5% fewer** completed admitted RTT pathways in 2025/26.



If higher productivity absorbed rising cost pressures, health spending could be **£33bn a year lower by 2040/41**, than currently projected

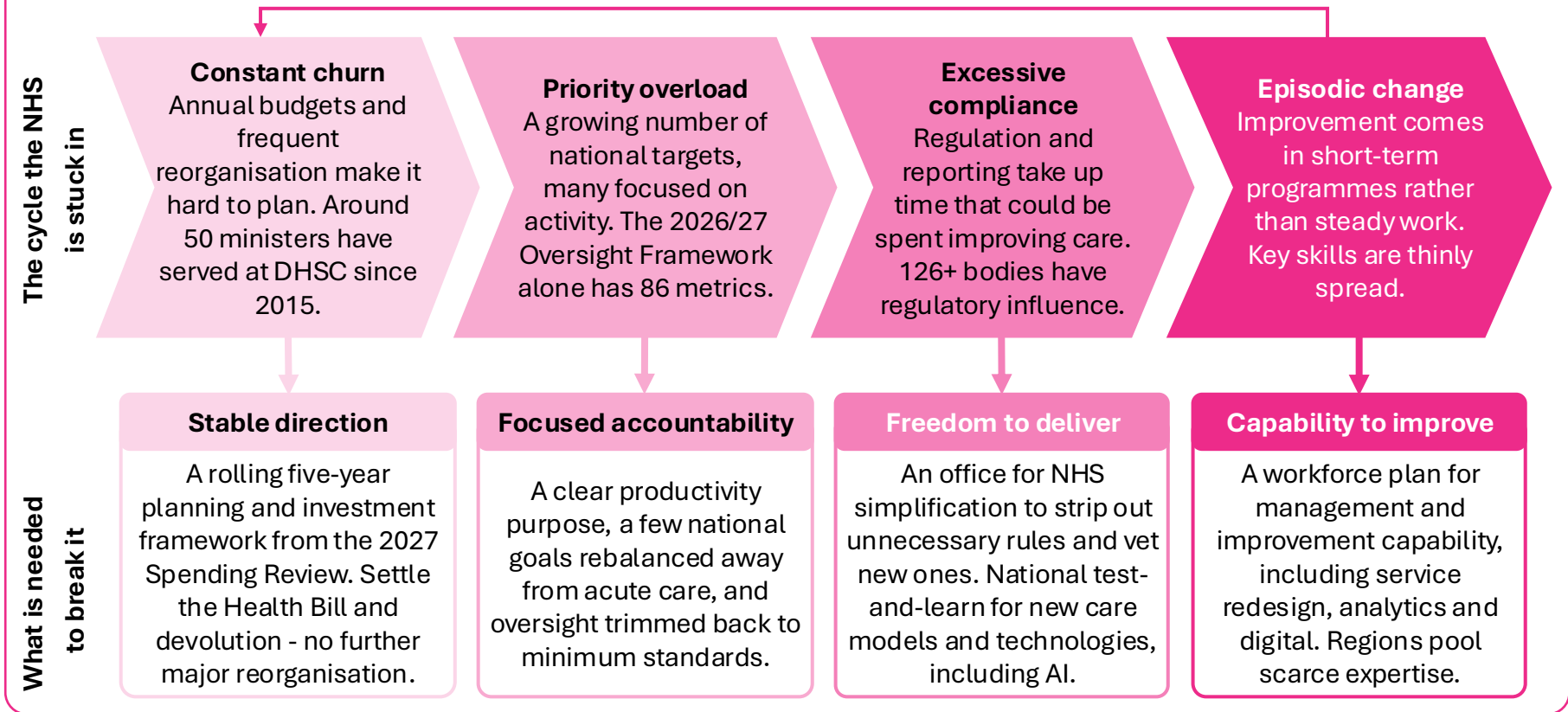


Matching the best-performing comparable health systems could mean up to **20,600 fewer treatable deaths** each year, within current spending.

The findings

Efficiency fell across all trusts during the pandemic, while the gap between them barely changed, which points to barriers sitting in the system rather than in individual organisations.

The top row shows the cycle the NHS is stuck in. Each barrier feeds the next: short-term pressure brings new targets and controls, which use up the capacity needed to improve, which weakens performance and brings more scrutiny. The bottom row shows the change needed to break each part. The four need to be pursued together.



What changes and for whom

The Commission is clear these changes should not be layered on top of existing work. The centre needs to remove as well as add and each level of the system would work differently.



National (DHSC) - Set direction, goals and guardrails, and mandate common data and interoperability standards. Less detailed guidance and control over local process.



NHS Regions - From overseeing performance to supporting improvement: benchmarking, peer challenge and pooled expertise in areas such as analytics and capital delivery.



ICBs - Set three to five outcome-focused priorities, signed off with the region and any mayoral authority, and make explicit choices about where resources go.



Providers - Lead improvement, with more freedom by default (including over capital) in return for using data, learning from peers and sharing what works.

What this means for the NHS

The recommendations support the direction set by the 10-Year Health Plan, but involve real trade-offs. **A larger share of future investment would go into capital and analytical, operational and digital capability, and less into new front-line posts.** The centre would need to give up some direct control over how improvement happens, accepting more variation and some failed tests in the short term, though repeated failure to learn should not be tolerated. The Commission proposes hospital flow and neighbourhood health as the first tests of whether the approach works.