NAVCA Health briefing | Proposed NHS contracting models to support neighbourhood health services

Date: 3rd September 2026

Neighbourhood health is key to delivering the 10 Year Health Plan for England by shifting care closer to communities. NHS England (NHSE) proposes to use Multi-Neighbourhood Provider (MNP) and Single Neighbourhood Provider (SNP) contracting models to commission this way of working (published for consultation in July 2026 available here). These models change how the NHS contracts neighbourhood services with risks for local infrastructure organisations (LIOs) and wider voluntary, community & social enterprise (VCSE) sector.

What are the proposed contracting models?

The consultation starts to describe *how* ICBs will move from service-by-service commissioning to commissioning based on local population needs for neighbourhood health. It expects that:

- there will be no new money instead relying on local flexibility of existing resources
- existing contracts will end and procurement will follow the Provider Selection Regime (PSR) and other relevant procurement laws
- arrangements will vary across the country reflecting local systems

It proposes two new contracting models (another consultation will occur late 2026 on final details):

Model	Multi-Neighbourhood Provider	Single Neighbourhood Provider
Population	250,000+ people	50,000 people
Purpose	Design and co-ordination of neighbourhood health services across neighbourhoods	Evolution of Primary Care Network (PCN) to deliver enhanced primary medical neighbourhood services
Contract *(ICBs determine the contract lengths)*	ICB or Integrated Health Organisation (IHO) uses NHS Standard Contract with a new 'Neighbourhood Schedule'. There can be multiple MNPs, but this would need to be balanced against risks of fragmenting pathways.	ICB directly contracts or MNP sub-contracts through the NHS Standard Contract 'Neighbourhood Schedule'. Minimum funding levels so practices do not have a reduction, including Additional Roles Reimbursement Scheme (ARRS).
Commissioning Options *(starting at the most appropriate level)*	**Option 1 – Coordination:** ICB continues to hold existing contracts with providers and commissions a single provider to coordinate delivery of neighbourhood health services, including incentive payments. **Option 2 – Lead Provider:** ICB waits until the expiry of and/or terminates existing contracts for neighbourhood services and commissions a lead provider accountable for delivery by (sub-)sub-contracting with other providers and SNPs.	**Option 1** – ICB commissions a local service specification through PCNs. **Option 2** – ICB commissions each SNP. **Option 3** – ICB commissions the MNP and the MNP subcontracts to SNPs.
MNP / SNP / GP Practices Relationships	A proportion of GP practices are part of the MNP contract procurement process and support the successful MNP. MNPs need to work closely with relevant local SNPs and GP practices. ICBs will state the SNPs that MNP(s) must sub-contract. MNP(s) must fill service gaps where SNPs opt in/out at appropriate times.	Works closely with GP practices so the SNP population can access services. GP practices can opt in and out of their local SNP at defined times. Where this happens, the MNP would be required to deliver those services to patients.

What are the risks for LIOs, ICS-VCSE Alliances and the wider VCSE sector?

2026/27 is a transition year for developing the new health and care landscape. There is a risk that the proposed changes can destabilise funding, resources and support to the sector. This can result in the loss of vital VCSE organisations and the services they provide.

This can be caused by:

- VCSE strategic relationship with ICBs has already reduced due re-structures since April 2026 that impacted VCSE sector participation in the design of neighbourhood health (e.g. loss of a VCSE member on ICB Boards, resourced VCSE Alliance and NHS staff with VCSE expertise)
- a weaker direct relationship with ICBs/IHOs as primary contract holders, leaving communication and funding mediated through MNPs or SNPs

- impact on LIOs, ICS-VCSE Alliances and how they can effectively work with the VCSE sector
- no new money with VCSE providers absorbing the strategic, delivery costs of changes and workforce retention risks of being funded to pay staff a living wage or match NHS salaries
- ending existing VCSE contracts as ICBs transition towards an MNP Lead Provider model and new contracts or (sub-)sub-contracts going outside of the VCSE sector
- risk aversion to new models resulting in commissioners using 'traditional' procurement processes when using PSR and NHS Standard Contracts that disadvantages VCSE providers
- MNPs and SNPs developing negative commissioner / provider dynamics with the VCSE sector
- MNPs and SNPs passing delivery risks (e.g. demand pressures, payment delays, unfair incentive targets, disproportionate metrics, etc.) directly to VCSE providers

What mitigating actions can LIOs, ICS-VCSE Alliances and the wider VCSE sector take?

With ICBs as a Strategic Commissioner being a key driver, LIOs should be working closely with them, Health and Wellbeing Boards and others to design what neighbourhood health looks like locally and their contracting arrangements. NAVCA proposes the following mitigating actions:

Theme 1: VCSE Leadership & Strategic Influence

- Map current VCSE representation and work with the ICB to design in meaningful, resourced LIO, ICS-VCSE Alliance and VCSE involvement prioritising fora leading on designing neighbourhood health
- Bring VCSE providers and allies together to raise awareness of the proposed changes, collate and share intelligence on its impact on VCSE providers and communities, advocate for each other and align with Civil Society Covenants leveraging key allies (e.g. local councils, combined authorities, Health & Wellbeing Boards, etc.)

Theme 2: VCSE funding & Sustainability

- Map existing VCSE providers delivering neighbourhood health services including their impact on people and neighbourhoods and the impact the proposed models would have on them
- Work with the ICB as a Strategic Commissioner to proactively support and sustain the local VCSE market, drawing on LIO and ICS-VCSE Alliance insight to develop ways to protect long-term sustainability (e.g. 3–5 year contracts, full cost recovery, and minimum funding protections) embedded in MNP / SNP models

Theme 3: Contracting & Procurement

- Work with the ICB to review its current contracting & procurement processes to remove disadvantage for the VCSE sector and embed these in MNP/SNP (sub-)sub-contracting and procurement processes learning from local and national good practice[1]
- Work with the ICB to ensure that LIOs, ICS-VCSE Alliances and the VCSE sector are part of MNP procurement processes and the ICB mandates that MNPs and SNPs sub-contract with local VCSE providers on fair terms
- Work with the ICB to build confidence, understanding and capacity in effectively commissioning, contracting & procuring the VCSE sector with LIOs, ICS-VCSE Alliances, ICBs, IHOs, MNPs and SNPs

This summary was commissioned by NAVCA and produced by shared Waves CIC:

Shared Waves CIC *is a social enterprise consultancy that empowers VCSE leaders and communities in complex health and care systems. Drawing on 14+ years of experience across strategy, transformation, and commissioning, Founding Director Arfan Hussain provides accessible strategy development, diagnostics, and leadership support so LIOs and VCSE leaders can turn system complexity into actionable impact.*

Shared Waves CIC: Home | LinkedIn

[1] For example, see Locality's Keep it Local Health Commissioning Guide (2026)