

Health and Social Care Levy to raise billions for NHS and social care

- From today the Health and Social Care Levy will begin raising billions to tackle Covid backlogs and reform routine services
- £39 billion over the next three years will put health and care services on a sustainable footing
- Levy will deliver biggest catch up programme in NHS history and end spiralling social care costs

From Wednesday 6 April, the Health and Social Care Levy will come into effect and begin to raise billions to help tackle the Covid backlogs and reform the adult social care system.

Over the next three years, a record £39 billion will be invested in the health and social care system to ensure it has the long-term resource it needs to provide world-class care, while delivering the biggest catch up programme in the NHS' history.

The pandemic put unprecedented pressure on the NHS. The number of people waiting for elective care in England is over 6 million – up from 4.4 million before the pandemic – and this is expected to rise, as up to 10 million people didn't come forward for treatment during the pandemic.

The necessary, fair and responsible Levy will reduce waiting times and deliver millions more scans, tests and operations, while reforming the way routine services are delivered so the NHS is fit for the future.

This means the NHS resource budget will increase to over £160 billion in 2024-25, including £5.9 billion of capital investment to support diagnostics, technology, and elective recovery.

The Levy will also reform the social care system, backed by £5.4 billion. It will end spiralling social care costs, provide a limit to the cost of care for everyone in the adult social care system for the first time, and significantly increase state support.

Prime Minister, Boris Johnson said:

We must be there for our NHS in the same way that it is there for us. Covid led to the longest waiting lists we've ever seen, so we will deliver millions more scans, checks and operations in the biggest catch-up programme in the NHS' history.

We know this won't be a quick fix, and we know that we can't fix waiting lists without fixing social care. Our reforms will end the cruel lottery of spiralling and unpredictable care costs once and for all and bring the NHS and social care closer together. The Levy is the necessary, fair and responsible next step, providing our

health and care system with the long term funding it needs as we recover from the pandemic.

Health and Social Care Secretary Sajid Javid said:

The pandemic put unprecedented pressure on the NHS and is causing the Covid backlogs. This investment will go into tackling those backlogs and will help make sure everyone can get the care and treatment they need.

We can't have business as usual, which is why we are rolling out Surgical Hubs and Community Diagnostic Centres up and down the country to deliver millions more scans, checks and operations.

This vital funding will ensure the NHS is equipped to not only reduce waiting times but also tackle the big challenges we face – from cancer to heart-disease and dementia. We will also reform the adult social care system, invest in the workforce and protect people from catastrophic care costs.

Chancellor of the Exchequer, Rishi Sunak said:

This Government will not shy away from the difficult decisions we need to take to fix our social care system and slash NHS waiting times. The Health and Social Care Levy will fund a third more elective care, over 17 million extra diagnostic tests and a cap on the cost of care so people no longer live in fear of losing everything to pay for care.

The British people deserve the best health care in the world and delivering that is our top priority.

The record funding will help deliver:

- Around 30 per cent more elective activity in three years' time than before the pandemic.
- 17 million more diagnostic tests over the next 3 years.
- The expansion of operating theatres and diagnostic centres for cancer and other conditions.
- Better control for patients over their care, with more information and access to specialist teams. For example through the My Planned Care platform, now available to 5.5 million patients to find the average waiting time at their local hospital. In future the service will include advice on stopping smoking, diet and exercise, to help patients get ready for surgery and make sure they recover as quickly as possible. GPs and primary care teams will also be able to access the information, helping them to have more informed conversations with patients.
- A fair cost of care, £1.36 billion will support local authorities in

England to move towards paying a fair cost of care to adult social care providers, ensuring market sustainability and preparing markets for reform.

- Charging reform, an £86,000 cap on care costs will be put in place in October 2023 so people can have certainty over how much they will need to pay, a measure backed by a further £2.2 billion.

Patients will also be offered the right to choose and more information on average waiting times at the point of referral. Those waiting the longest will be contacted by the NHS to be given the opportunity to change provider to reduce their wait. The NHS will support patients with travel costs if feasible and will engage with the independent sector so all options available. By the end of this year, all patients that have been waiting for 18 months or more will be contacted to discuss the choices they have about changing provider.

The Levy will end unlimited and unpredictable care costs. Currently, anyone with assets over £23,250 pays their care costs in full. From October 2023, anyone with assets under £20,000 will have their care costs fully covered by the state.

The cost of care is capped at £86,000 and raises the point at which people meet the full cost of their care from £23,350 to £100,000 – this is nearly four times higher than the current system.

People working in adult social care in England will also benefit from at least £500 million to improve recruitment, retention, progression and staff wellbeing. This will fund measures including continuous professional development budgets, investment in social worker training, and wellbeing and mental health support.

Work is already underway to deliver more tests and scans through up to 160 community diagnostic centres by 2025, which are more efficient and closer to home for patients. Seventy-three centres are already open, and another four are opening by the end of May. They have already delivered over 700,000 additional scans and tests, with around 30,000 tests a week.

The latest figures, due this week, are expected to show three quarters of a million additional tests were delivered for patients in need by the end of March. Alongside this, new surgical hubs will be added to the network of over 40 standalone hubs already operating across the country, helping to reduce waits for procedures such as cataract surgery or hip replacements.

The Levy will initially be based on national Insurance contributions (NICs) and from 2023 will be legislatively separate.

Every individual will contribute according to their means. Those who earn more pay more, with the highest 15 per cent of people paying over half the revenues.

Low earners will be shielded from the levy following action taken by the Chancellor in the Spring Statement last month. From July, the level at which

people pay National Insurance on their income will rise to £12,570, saving a typical employee over £330 a year. The change does not affect the funding available to Health and Social Care.

This means that the NHS gets the vital funding it needs to clear the Covid backlogs but it's paid for by those with the broadest shoulders, whilst those on low and middle incomes are protected.