

Health and social care press conference – Rishi Sunak

Good afternoon.

I want to address straight away the following question:

Why do we need to raise taxes?

Three reasons.

First, we need to properly fund the NHS as we recover from the pandemic.

Senior NHS leaders have made clear that without more funding we will not properly be able to address the significant backlog...

...in people's cancelled operations, delayed treatments, or missed diagnoses.

To get everyone the care they need is going to take time – and it is going to take money.

The second reason is that social care plans announced today have created an expanded safety net.

Instead of individuals having to bear the financial risks of catastrophic care costs themselves, we as a country are deciding to share more of that risk collectively.

This is a permanent, new role for the Government.

And as such we need a permanent, new way to fund it.

The only alternative would be to borrow more indefinitely.

But that would be irresponsible at a time when our national debt is already the highest it has been in peacetime.

And it would be dishonest – borrowing more today just means higher taxes tomorrow.

The third reason we need to raise taxes is to fund the Government's vision for the future of health and social care.

Properly funded, we can tackle not just the NHS backlog and expand the social care safety net, we can afford the nurses pay rise;

Invest in the newest, most modern equipment;

Prepare for the next pandemic;

And provide one of the largest investments ever to upskill social care

workers.

In other words, we can build the modern, more efficient health and social care services the British public deserves.

To fund this vital spending, we will introduce a new UK-wide Health and Social Care Levy.

From next April, we will ask businesses, employees and the self-employed to pay an extra 1.25% on earnings.

All the money we raise will be legally ringfenced, which means every pound from the Levy will go directly to health and social care.

The Levy is the best way to raise the funds we need.

It is fair: the more you earn, the more you pay.

It is honest: it is not a stealth tax or borrowed – the Levy will be there in black and white on people's payslips.

And it is UK-wide, so people in England, Scotland, Wales and Northern Ireland will all pay the same amount.

To make sure everyone pays their fair share, we will also increase dividend tax rates by the same amount.

And, from 2023, people over the age of 66 will be asked to pay the Levy on their earnings too.

No Government wants to have to raise taxes.

But these are extraordinary times and we face extraordinary circumstances.

For more than 70 years, it has been an article of faith in this country that our national health service should be free at the point of use, funded by general taxation.

If we are serious about defending this principle in a post-Covid world...

...we have to be honest with ourselves about the costs that brings...

...and be prepared to take the difficult and responsible decisions to meet them.

Thank you.