

PM statement to the House of Commons on health and social care: 7 September 2021

Mr Speaker, with permission, I will make a statement on the government's plans for health and social care.

Our National Health Service is the pride of our whole United Kingdom and all the more so, after it has been there for us during the worst pandemic in a century, treating almost half a million patients, administering more than 88 million vaccines and saving countless lives.

But the inevitable consequence of this necessary – and extraordinary – action is that Covid has placed massive pressures on our NHS.

As we stayed at home to protect the NHS, thousands of people did not come forward for the treatment they needed.

Like those who suffer from Covid, these are all people we know.

Your aunt who needs a new hip. Your neighbour who has problems with their heart and needs a pacemaker. Your friends your friends at work who thinks they should get that lump or cough checked out.

So we must now help the NHS to recover, to be able to provide this much needed care to our constituents and the people we love – and we must provide the funding to do so now.

We not only have to pay for the operations and treatments that people decided not to have during the pandemic, we need to pay good wages for the 50,000 nurses who will enable that treatment, and who can help us tackle waiting lists that could otherwise expand to 13 million over the next few years.

We need to now to go beyond the record funding we have already provided – and we need to go further than the 48 hospitals and 50 million more GP appointments that are already in our plan.

So today we are beginning the biggest catch-up programme in NHS history, tackling the Covid backlogs by increasing hospital capacity to 110 per cent, and enabling nine million more appointments, scans and operations.

As a result, while waiting lists will get worse before they get better, the NHS will aim to be treating around 30 per cent more elective patients by 2024/25 than before Covid.

And we will also fix the long-term problems of health and social care of health and social care have been so cruelly have been so cruelly exposed by Covid.

But having spent more than £407 billion or more to support lives and livelihoods throughout the pandemic – from furlough to vaccines – it would be wrong for me to say that we can pay for this recovery without taking the difficult but responsible decisions about how we finance it.

As a permanent additional investment in health and social care – it would be irresponsible to meet the costs from higher borrowing and higher debt.

From next April we will create a new, UK-wide, 1.25 per cent Health and Social Care Levy on earned income, hypothecated in law to health and social care, with dividends rates increasing by the same amount.

This will raise almost £36 billion over the next three years, with money from the levy going directly to health and social care across the whole of our United Kingdom.

This won't be pay awards for middle management, it will go straight to the front line at a time when we need to get more out of our health and social care system than ever before.

And it will enable radical innovation to improve the speed and quality of care, including better screening equipment to diagnose serious diseases, such as cancer, more quickly, designated surgical facilities so non-urgent patients are no longer competing with A&E, faster GP access to specialists, so you don't have to wait months to see someone in hospital to find out whether something is wrong, and new digital technology so doctors can monitor patients remotely in their homes.

And we will do all this in a way that is right, and reasonable and fair.

Mr Speaker, some will ask why we don't increase income tax or capital gains instead.

But income tax isn't paid by businesses, so the whole burden would fall on individuals, roughly doubling the amount that the basic rate taxpayer could expect to pay.

And the total revenue from capital gains tax amounts to less than £9 billion this year.

Instead our new levy will share the cost between individuals and businesses, and everyone will contribute according to their means, including those above State Pension Age, so those who earn more those who earn more will pay more.

And because we are also increasing dividends tax rates we will be asking better-off business owners and investors to make a fair contribution too.

In fact, the highest earning 14 per cent will pay around half the revenues, no-one earning less than £9,568 will pay a penny, and the majority of small businesses will be protected, with 40 per cent of all businesses paying nothing at all.

And while Scotland, Wales and Northern Ireland have their own systems, we

will direct money raised through the levy to their health and social care services.

So in total Scotland – yes – in total Scotland, Wales and Northern Ireland will benefit from an extra £2.2 billion a year Mr Speaker – and as this is about 15 per cent more than they will contribute through the levy, it will create a union dividend worth £300 million. Worth £300 million.

But Mr Speaker, we cannot just put more money in.

We need reform and change. We need to build back better from Covid.

When the Covid storm broke last year there were 30,000 hospital beds in England occupied by people who could have been better cared for elsewhere – and who wanted to be better cared elsewhere.

That is 30,000 Mr Speaker out of 100,000 hospital beds in our NHS, costing billions every night, and unable to be used by people needing cancer care needing hip operations, making it harder than ever to deal with the growing backlog in our NHS.

Too often people were in hospital beds because they or their relatives were worried about the cost of care in a residential home.

And that same fear kept many others at home without any care at all.

This anxiety affects millions of people up and down the country, the fear that a condition like dementia, one of nature's bolts from the blue could lead to the total liquidation of their assets, their lifetime savings, their home – the loss of everything that they might otherwise pass on to their children, however great or small – while sufferers from other diseases – who have had to be in hospital for the majority of their treatment – have their care paid for in full by the NHS.

Governments have ducked this problem for decades.

Parliament parliament even voted to fix it, and yet that 30,000 figure is an indictment of the failure to do so.

And so Mr Speaker there can be no more dither and delay.

We know we can't rely solely we know we can't rely solely on private insurance because demand would be too low for insurers to offer an affordable price.

And a universal system of free care for all would be needlessly expensive, when those who can afford to contribute to their care should do so.

Instead the state should target its help at protecting people against the catastrophic fear of losing everything to pay for the cost of their care, and that is what this government will do.

We are setting a limit on what people can be asked to pay, and we will be

working with the financial services industry to innovate and help people to insure themselves against expenditure up to that limit.

Wherever you live, whatever your age, your income or your condition, from October 2023 no-one starting care will pay more than £86,000 over their lifetime, and no-one with assets of less than £20,000 no-one with assets of less than £20,000 will have to make any contribution from their savings or housing wealth – up from £14,000 today.

Meanwhile anyone with assets between £20,000 and £100,000 will be eligible for some means-tested support.

And this new upper capital limit of £100,000 is more than four times the current limit, helping many more people with modest assets.

And as we fix this long-term long-standing problem in social care, we will also address the fears that many have about how their loved ones will be looked after, by investing in the quality of care, in carers themselves, and by integrating health and care in England so older people and disabled people are cared for better, with dignity, and in the right setting.

And my Rt Hon Friend the Secretary of State for Health and Social Care will be bringing forward a White Paper on integration later this year.

Mr Speaker, you can't fix you can't fix the Covid backlogs without giving the NHS the money it needs; you can't fix the NHS without fixing social care; you can't fix social care without removing the fear of losing everything to pay for social care; and you can't fix health and social care without long-term reform.

The plan that this Government is setting out today, the plan I am setting out today will fix all of those problems together.

And, of course, and, of course, no Conservative government no Conservative government Mr Speaker ever wants to raise taxes, and I will be honest with the House, I accept yes I accept this breaks a manifesto commitment, which is not something I do lightly.

But a global pandemic was in no-one's manifesto Mr Speaker. I think the people in this country understand that in their bones and they can see the enormous debts this Government the Treasury has taken.

After all the extraordinary actions that have been taken to protect lives and livelihoods over the last eighteen months, this is the right, the reasonable and fair approach, enabling our amazing NHS to come back strongly from the crisis, tackling the Covid backlogs, funding our nurses, making sure people get the care and treatment they need, in the right place at the right time, and ending a chronic and unfair anxiety for millions of people and their families up and down this country.

And I commend this Statement to the House.