

# Statement to Parliament: Secretary of State's oral statement on the NHS funding plan

With permission Mr Speaker, I will make a statement about the Prime Minister's announcement yesterday of a new long-term funding plan for the NHS.

The NHS was built on the principle that good healthcare should be available for everyone, whatever their background and whatever their needs. Seventy years on, it remains this country's most valued public service, an institution that is there for every family, everywhere, at the best of times and at the worst.

So no one in this House underestimates the importance of putting the NHS on a steady financial footing – not just for the sake of their constituents but also for their own families and loved ones. This is why I am proud that yesterday this government announced its commitment to a long-term funding settlement.

From vaccinations to IVF to radiotherapy to next-generation immunotherapies, the NHS has always been at the forefront of excellence in medicine but as only the sixth universal healthcare system in the world it has also come to symbolise equity both at home and abroad.

Despite pressures in recent years, the Commonwealth Fund rates the NHS as the best healthcare system in the world, cancer survival rates are at a record high, stroke mortality is improving faster than almost anywhere else in the OECD and heart disease mortality rates continue to fall. All this thanks to NHS staff who continue to work tirelessly, day in day out, to make it the world-class service it truly is.

But alongside advances in medicine, demographic pressures pose a potentially existential threat to the NHS as we know it. With over-75s expected to increase by 1.5 million in the next 10 years, these pressures, far from reducing, will intensify. So in March the Prime Minister made the bold decision to commit to a 10-year plan for the NHS backed up by a multi-year funding settlement.

Since then I have been working closely with the Prime Minister and Chancellor, and can today announce that the NHS will receive an increase of £20.5 billion a year in real terms by 2023 to 2024, an average of 3.4% per year growth over the next 5 years. The funding will be front-loaded with increases of 3.6% in the first 2 years, which means £4 billion extra next year in real terms, with an additional £1.25 billion cash to cope with specific pension pressures.

Others talk about their commitment to the NHS but this settlement makes clear

it is this government which delivers. Details of this settlement will shortly be placed in the Library of the House.

This intervention is only possible because of difficult decisions taken by the government, opposed by many, to get our nation's finances back in order and get our national debt falling. Some of the new investment in the NHS will be paid for by us no longer having to send annual membership subscriptions to the EU after we have left. But the commitment that the government is making goes further and we will all need to make a greater contribution through the tax system in a way that is fair and balanced. My right honourable friend the Prime Minister has said we will listen to views about how we do this and my right honourable friend the Chancellor will set out the detail in due course.

I want to pay particular tribute to the Chancellor who in all our discussions has never questioned the need for additional resources for the NHS and the priority attached to it by the government. His careful stewardship of the economy, alongside that of George Osborne before him, is what makes today's announcement possible.

The British public also want to know every pound in the NHS budget is spent wisely. So it is critical to the success of this plan that the whole NHS improves productivity and efficiency; eliminates provider deficits; reduces unwarranted variation in the system so people get the consistently high standards of care wherever they live; gets better at managing demand effectively and makes more effective use of capital investment.

We have set the NHS 5 key financial tests to show how the NHS will do its part to put the service onto a more sustainable footing, and I will be expecting them to give this work the utmost priority. These tests will be a key part of the long-term plan.

But Mr Speaker this is more than just a plan to get finances back on track – in its 70th year we also want our NHS to make strides towards being the safest, highest quality healthcare system in the world.

That means making a number of improvements to the treatment and care currently offered including getting back on track to delivering agreed performance standards; locking in and further building on the recent progress made in the safety and quality of care; and transforming the care offered to our most frail and vulnerable patients so we prioritise prevention as much as cure.

It also means transforming our cancer care, where despite record survival rates we still lag behind France and Germany. There is no family in this country that has not been touched by cancer so the whole House will want to know how the NHS intends to make our cancer treatment and care amongst the very best in Europe.

And many of our constituents worry about the mental health of their loved ones, families and friends. Again, I am proud of this government's record here: investing more in mental health than ever before and legislating for true parity, as part of one of the biggest expansions in mental health

provision in the Europe. So a critical part of the plan will be to decide what next steps will enable us to claim not just that we aspire to parity of provision with mental health but that we are actually delivering it.

Mr Speaker for our most vulnerable citizens with both health and care needs we also recognise that NHS and social care provision are 2 sides of the same coin. It is not possible to have a plan for one sector without having a plan for the other – indeed we have been clear with the NHS that a key plank of their plan must be the full integration of the 2 services.

As part of the NHS plan we will review the current functioning and structure of the Better Care Fund to make sure it supports this. Whilst the long term funding profile of the social care system will not be settled until the spending review, we will publish the social care green paper ahead of that.

However because we want to integrate plans for social care with the new NHS plan it does not make sense to publish it before the NHS plan has even been drafted so we now intend to publish the social care green paper in the autumn around the same time as the NHS plan.

Finally, Mr Speaker, there are 2 further elements crucial to putting the NHS on a sustainable footing. Alongside the 10-year plan we will also publish a long-term workforce plan recognising that there can be no transformation without the right number of staff, in the right settings and with the right skills. This applies to both new and existing staff. As part of this we will consider a multi-year funding plan for clinical training to support this aim. Similarly, we know that capital funding is critical for building NHS services of the future and again we will consider proposals from the NHS for a multi-year capital plan to support the transformation plans outlined in the long-term plan.

Mr Speaker, given the national economic situation yesterday's announcement is bold and ambitious. For the first time national leaders of the NHS will develop a plan for the next decade which is clinically-led, listens to the views of patients and the public and is backed by five years of core funding. We want to give the NHS the space, certainty and funds to deliver a comprehensive, long term plan to transform health and care and ensure that our children and grandchildren benefit from the same ground-breaking health service in the next 70 years as we all have in the first 70.

That is this government's commitment to the NHS and I commend this statement to the House.