

My Speech on the NHS Long-term Strategy – Opposition Debate

Rt Hon Sir John Redwood MP (Wokingham) (Con): No one can deny that the health service is under extreme pressure. No one can look at it and not realise that there has been a big surge in extra demand, that there are problems from the hangover of covid when a large waiting list for less urgent treatments built up, and that we are short of doctors and nurses, not because Ministers will not authorise their appointment but because there are vacancies to be filled. As one of those who has been urging for some time to see a published workforce plan, I welcome the decision of Ministers to insist on that, and the sooner we get it the better. However, I am quite sure that there are a whole series of workforce plans already in the many dozens and hundreds of working trusts and quangos that constitute the NHS. It is about aggregating and making sense of those plans.

Yes, indeed. From my hon. Friend's own expertise, I am sure she is right. When people talk about productivity, they do not believe that hard-pressed staff have to work harder; they are saying there must be smarter working, making jobs more manageable or enabling them to concentrate on the things they are most skilled at, with more relief for the other necessary record keeping, which may indeed need slimming.

Dr Caroline Johnson (Con): We often talk about the shortage of doctors. We know we cannot create a doctor overnight. It takes a substantial amount of time to train them. The Chancellor, a former Health Secretary, invested in five new medical schools to increase the number of doctors in training. Does my right hon. Friend agree that the Chancellor, with the Health Secretary, needs to invest more money in more medical schools and medical school places, but also look at how we increase the number of doctors by reducing the amount of bureaucracy and paperwork they have to fill in, so that they can spend more time doctoring and less time filling in forms?

Rt Hon Sir John Redwood MP (Wokingham) (Con): My hon. Friend is right that we could expand our training places further, but as we have heard there has been a big increase in educational provision and it takes seven years for it to flow through. I am glad we are getting to the point where we will see some benefits from that. We need more homegrown talent. Many people are attracted to the privileged career of being a doctor and the more we can allow to do that, the better. However, given the immediate urgency of needing more capacity, and therefore more doctors and nurses, the most obvious place is to look at all those who have already had the training and have left the profession or the NHS for one reason or another. Some may be in early retirement. That is probably not something my hon. Friend wants to change because she enjoys her new job, but there are many others who are not in a very important job like her who might be attracted back. I hope the Treasury will be engaged in the review, because I hear from doctors, as many do, that the quirk in the tax system at just over £100,000 where some of the better paid doctors are resting, producing a more penal 60% rate, is an impediment

to extra working. I also hear about the pension problems that have been cited on both sides of the House. The Government need to take those issues more seriously if they wish to accelerate returns.

Ministers have very clearly set out that they want more NHS staff and have obtained much larger budgets in the last three years to help bring that about. They have also said very clearly that the public's priority—and indeed the Opposition's priority—is to get more treatments and get those waiting lists and waiting times down for those needing more urgent or emergency care. Those Ministers must translate that through the senior health service managers into ways of spending that extra money. If it needs a bit more extra money, there is always some extra available—every time we meet another additional sum is announced—but it has to be well spent. It has to be spent on motivating and recruiting the medical workforce.

I had better not, because we are very short of time for colleagues.

The money has to be well spent and I hope that senior managers, as they give us a published workforce plan, will share more of their thinking. It is not good at the moment that there is such a breakdown in relations with talented and important staff in the health service. There is a complex system of pay reviews, increments, promotions and gradings of activities. All those things have flexibility within them. I look to the senior managers

We need more supply because there is excess demand, for understandable reasons. Huge sums of money were tipped into the system to deal with covid. Not all of it was well spent, but that was understandable given the unknown nature of the beast at the beginning, and the obvious pressures in this place and elsewhere to get instant results with personal protective equipment, testing and so forth. That is now behind us, but unfortunately it disrupted normal hospital work and normal GP work and created backlogs.

I urge the Government to understand that part of the answer is having more bed spaces in hospitals, with the staff to back them up. I do not know why so many senior health executives never want to admit that. They always say that there are lots of bottlenecks and other issues. Yes, of course we need to move people on from hospital as soon as it is safe to do so, and of course we need more capacity in social care, but I say to Ministers that it would be great to have a bit more capacity in the main hospitals to give us extra flexibility and take some of the pressure off. Could not some of the extra £20 billion, £30 billion, £40 billion or £50 billion that has been found in recent years be spent on the combination of physical capacity and the staff to support it that we so need?

[My Speech on the NHS Long-term](#)

Strategy – Opposition Debate

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[Vaccines](#)

I do not have expertise in the chemistry or the medical effects of vaccines. If you wish to discuss this topic then go to sites that are capable of

handling these issues and have articles from people who do know about them. Nor do I wish to host a debate about Mr Bridgen's words. As you can see I have not written about this medical issue.

[My Conservative Home article – The aims of the government](#)

Rishi Sunak in his New Year speech set out three economic targets and two promises on NHS waiting lists and illegal migrants. There is nothing wrong with putting three economic matters top of his five point plan. It is "the economy stupid" as Clinton reminded us that will determine the election result. It is the economy that is on most minds, as people navigate high inflation and worry about a recession. I am glad he regards economic improvement as central to his task over the next two years. Most of the rest would flow from economic success.

The problem is that economic language and overlapping economic targets do not set the pulses racing or reveal much about the vision. All main parties want inflation down, debt under control and some growth. The issue on the economy is who has the best policies to achieve those aims? Who is most likely to see it through? What do those generalised abstractions mean for individuals trying to pay the gas bill, seeking a better job or running their own small business? If you are in government and have been in office for some time you need to show you have produced good results and have done all you can to maximise people's life chances and minimise financial pain.

The first aim to halve inflation should happen this year. The Bank of England has shifted from too lax a policy promoting inflation in 2021, to too tough a policy now, leading us into recession. This will bring prices down the hard way. Halving price rises still leaves inflation well above the 2% target.

The second is to "grow the economy". That is an excellent aim, but not one we will see for much of 2023 on current policies. The government needs urgently to present to Parliament a growth package. Several of the pro jobs and business tax proposals in the Truss/Kwarteng budget would help, along with the more vigorous Free Ports, Enterprise zones, public/private partnerships and realistic energy policies that they proposed. These need to be shaped into an affordable package, balanced by some spending reductions as the government wrestles with public sector budgets that are costing too much and delivering too little. Encouraging and helping more people into work would be an obvious win win that would help by cutting benefit payments and raising tax revenues. Stopping the Bank of England taking so many losses on its badly bought bond portfolio would also assist. Producing more something for something pay deals in the public sector to lift productivity from its current deep low could be transformational. Pushing through more UK oil and gas production would not only cut imports but boost tax revenue.

The third of the economic aims is to "get our national debt down, so

that we can secure the future of public services". It turns out this relates to the old Maastricht target of debt falling as a proportion of GDP, a target even the EU has suspended. It relates to five years hence, well into the next Parliament so it is no early constraint on action. The best way of achieving such a goal if you must is to promote faster growth – or reverse a recession – as debts and deficits fall when growth generates more revenue and cuts the cost of unemployment as more get jobs. Putting up taxes this year does not lower the deficit in five years time, as the recession and energy support payments are going to mean a lot more borrowing this year than was planned in the March budget Rishi put through himself.

The fourth aim is to cut NHS waiting lists so people can get care more quickly. That should receive almost universal agreement. The issue is not the aim but the means. It also leaves open why hasn't this happened before.

The fifth aim is Rishi's first stated priority when he became Prime Minister. He will legislate to ensure if you come illegally you will "be detained and swiftly removed". That would be popular with many Conservatives. It assumes Ministers now know which powers they need to take to make sure the courts and lawyers do not thwart their wishes again, as this has long been the stated aim. We are awaiting early legislation in Parliament.

The speech went on to stress the need for innovation in business to power higher productivity and higher wages, stronger communities, world class education, better healthcare for patients and placing the family at the heart of social life. Most of this was general in nature but drew on his own family background well to illustrate the themes. The one specific, more maths education for all six formers, is an idea in search of a policy. It does not mean all have to take maths A level. It will require consideration by teachers over what can be taught to those not offering specialist maths/ There is the problem who can teach it and what assessment or qualification if any would follow.

Many ask me if this is a winning vision. I think the Prime Minister is right that his strength must be competence so what he needs to do is to demonstrate he can deliver on these five promises he has made. He chose the ending of illegal migration as his first priority, seeing the political significance of not being able to control our own borders. He understood the resentment felt by many to see young men pay substantial sums for a dangerous boat trip to enter illegally and to be put up in hotels with free medical care paid for by UK taxpayers. Stopping this would be an important achievement, saving lives and giving proper priority to the asylum seekers from Afghanistan or Ukraine where we have legal routes of entry for them. There will be a success to report when we see many hotels return to their proper use.

Getting NHS waiting lists down will be difficult. The fast growing population from migration and the backlog of health cases brought on by covid disruption of other NHS services means the NHS is under pressure. There are too many unfilled vacancies and the employees are unhappy. The PM will need to persuade the senior management of the NHS to expand capacity quickly, which will need more beds and medical staff. The government does not have the time nor mandate to embark on major reform of the NHS before the election. It can encourage managers to improve staffing arrangements, reduce pressures where waiting lists and times are unacceptable and expand capacity

as much as possible. It is odd how resistant NHS managers are to putting in more beds with the medical staff to support them. The latest package offers us virtual beds, not the real things in hospitals. Some of the many extra billions provided to the NHS needs to find its way into extra capacity rather than more quangos, Diversity Officers and management consultants.

It will be the economy that determines how most voters feel about the government come election day. You cannot hope to create a better economy just in time for the election and expect people to forget what has gone before. By 1997 the then Conservative government had recovered the economy well, but the public was not willing to forgive them for the deep recession brought on by their policy of joining and then getting ejected from the European Exchange Rate Mechanism. It is most important this government is seen to be battling against recession as the Bank of England and the other major Central Banks deliberately slow things down to curb inflation. Allowing the Bank to overdo it and give us a long and deep recession would be bad economics and worse politics.

That is why the government urgently needs a growth package. If we can boost investment in energy, in food, in transport and all the other areas where there are shortages which create inflationary pressures we will be tackling growth and inflation at the same time. Urgent and successful interventions to limit the downturn, to increase investment in the future mainly through private sector action, to get more people into work and to promote better pay for more output in the public services would be a winning combination. It does now require visible improvement, not just words, from a Prime Minister who rightly stresses the need to deliver.

Energy Bills Discount Scheme

I have received the letter below from the Exchequer Secretary to the Treasury in relation to continued energy bill support for businesses, charities and the public sector.

To: All MPs

10 January 2023

Dear Colleague,

ENERGY BILLS DISCOUNT SCHEME

I am writing to set out further details of the announcement I made today in relation to continued energy bill support for businesses, charities and the public sector.

Following a review of the Energy Bill Relief Scheme, I announced that the government would be launching a UK-wide Energy Bills Discount Scheme – a new energy support scheme that will provide all eligible UK businesses and other non-domestic energy users with a discount on high energy bills until 31 March

2024, following the end of the current scheme.

The new energy scheme will help businesses locked into contracts signed before recent substantial falls in the wholesale price manage their costs and provide others with reassurance against the risk of prices rising again.

This further support follows the government's unprecedented package for non-domestic users through this winter through the current scheme, worth £18 billion per the figures certified by the OBR at the Autumn Statement.

At Autumn Statement, we were clear that such levels of support, unprecedented in its nature and scale, were time-limited and intended as a bridge to allow businesses to adapt.

Whilst wholesale energy prices are falling and have now gone back to levels just before Putin's invasion of Ukraine, we recognise the importance of avoiding a cliff-edge for businesses and want to provide reassurance against the risk of prices rising again. That is why we are launching the new Energy Bills Discount Scheme, which will give businesses the certainty they need to plan ahead.

The new scheme strikes a balance between supporting businesses over the next 12 months and limiting taxpayer's exposure to volatile energy markets, with a cap set at £5.5 billion based on estimated volumes.

Through the scheme, from 1 April 2023 to 31 March 2024, eligible non-domestic customers who have a contract with a licensed energy supplier will see a unit discount of up to £6.97/MWh automatically applied to their gas bill and a unit discount of up to £19.61/MWh applied to their electricity bill. The relative discount will be applied if wholesale prices are above a price threshold of £302/MWh for electricity and £107/MWh for gas.

A substantially higher level of support will be provided to businesses in sectors identified as being the most energy and trade intensive – predominately manufacturing industries. A long-standing category associated with higher energy usage, these firms are often less able to pass through cost to their customers due to international competition. Businesses in scope will receive a gas and electricity bill discount based on a price threshold, which will be capped by a maximum unit discount of £40.0/MWh for gas and £89.1/MWh for electricity. This discount will only apply to 70% of energy volumes and will apply above a price threshold of £185/MWh for electricity and £99/MWh for gas.

Beyond the energy schemes, the government has also taken a number of further steps to support businesses (all UK-wide except as noted):

- Increasing the Employment Allowance from £4,000 to £5,000 in April 2022, meaning 40% of businesses with Employer National Insurance Contribution (NICs) liabilities were unaffected by recent changes to Employer NICs.
- Protecting 70% of actively trading companies with the Small Profits Rate, which keeps the Corporation Tax rate at 19% for businesses with profits of £50k or less from 2023.

- Introducing £13.6 billion business rates package worth over the next 5 years to support the revaluation (England-only).
- Extending the alcohol duty rates freeze for six-months, providing certainty to pubs and breweries.
- Extending the Recovery Loan Scheme until June 2024, providing businesses with up to £2 million of government guaranteed finance (up to £1 million for businesses in scope of the Northern Ireland Protocol).

This government is committed to supporting UK business and the voluntary sector, and through this package we aim to give organisations the certainty they need to plan through next winter. We will continue to monitor the situation and engage with representatives across the private and voluntary sectors.

Yours sincerely,

James Cartlidge MP

EXCHEQUER SECRETARY TO THE TREASURY