



Department
of Health

Philip Dunne MP
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The Rt Hon Fiona Mactaggart MP
House of Commons
Westminster
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09 AUG 2016

Dear Fiona,

Thank you for your correspondence of 25 July to the Rt Hon Jeremy Hunt MP, Secretary of State for Health, on behalf of a number of your constituents about NHS funding. I am replying as the issues raised fall within my ministerial portfolio.

We know that the NHS is facing many challenges and that there are increasing pressures on the health and care system due to, amongst other things, an ageing population, changing public expectations and the cost of new drugs. In the Spending Review in November, we therefore committed to increase funding for the NHS in England. In spite of continuing fiscal challenges, NHS funding will be £10 billion higher in real terms by 2020/21 than in 2014/15.

The increase will fund and support the NHS's own plan for its future, the *Five Year Forward View*, which sets out what needs to change and how this can be achieved. This plan was produced independently of the Government by NHS England, Public Health England, Monitor, Health Education England, the Care Quality Commission and the NHS Trust Development Authority.

We have also introduced tough new financial controls to cut down on waste in the NHS. In addition, in 2016/17, we are introducing a £1.8 billion Sustainability and Transformation Fund to support providers to become more financially sustainable. We are also bringing in tough controls on agency rates to reduce the agency staff bill and investing in introducing new models of care.

We are clear that patient safety and quality of care should never be compromised, and we expect all NHS trusts to use their resources wisely to deliver high-quality, sustainable services to patients.

With regard to social care, the Spending Review has shown our ongoing commitment to joining up health and care services through the Better Care Fund (BCF). Social care funding for local authorities will rise to £1.5billion by 2019/20 and this will be included in the BCF. We are also introducing a social care precept that could raise up to £2billion by the end of this Parliament.

Turning to public health, through the published allocations for 2016/17 and indicative allocations for 2017/18, we have confirmed that the grant to local authorities will be reduced by 2.2 per cent in 2016/17 and a further 2.5 per cent in 2017/18. There will be further comparable reductions over the following two years.

Nevertheless, local authorities will still receive over £16billion to spend on public health over the next five years. This is in addition to what NHS England will continue to spend on protected areas such as vaccinations, screening and other preventative interventions, including the world's first national diabetes prevention strategy.

We do not underestimate the challenges we face, but local authorities have already shown that they can find more efficient ways of delivering public health services, securing better value for taxpayers. We are confident that the partnership between the Government and local authorities will continue to find ways of delivering improved health outcomes, with national action complementing local work.

We have invested more than ever before in improving mental health services. Spending on mental health services is estimated to have increased to £11.7billion in 2014/15, and commissioners are required to increase spending on mental health each year up until 2020. The total planned additional spend for 2015/16 is £376million, an increase of 4.5 per cent.

The recent independent Mental Health Taskforce report set out a number of commitments that should be made to improve the quality of services. To support this, we will increase funding for mental health services by £1billion by 2020/21. This builds on the £1.4billion that was announced last year for children's and young people's mental health services over the next five years.

Improving services is not, however, reliant on funding alone. It is vital that we continue to strive for efficiency and support the development of new, more integrated, models of care. This includes the use of new technology and greater transparency of data to ensure better choice for patients. We must continue to support local services in determining how best to meet the needs of patients in their areas.



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I hope this reply is helpful in demonstrating our clear commitment to fund the NHS.

Yours sincerely,

A handwritten signature in cursive script that reads "Philip Dunne".

PHILIP DUNNE