



Department
of Health &
Social Care

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Sir Mark Hendrick MP

By email to: mark.hendrick.mp@parliament.uk

Thank you for your correspondence of 24 May to Jeremy Hunt on behalf of your constituent about NHS funding.

The Prime Minister has announced her intention to work with the NHS to develop a ten-year plan for its future, underpinned by a five-year funding offer that will see the NHS budget grow by £20 billion a year in real terms by 2023/24, significantly faster than the economy as a whole. This five-year budget will see NHS funding grow by an average of 3.4 per cent a year in real terms, plus an additional amount in the first year to account for specific pensions pressures. By 2023/24 this will equate to around £394 million of new funding every week. In cash terms, the NHS England budget will have increased by over a quarter in five years' time.

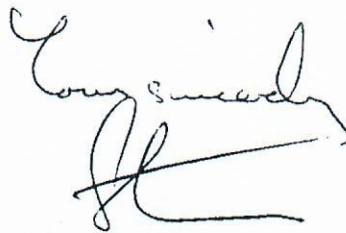
This is a major investment in one of the country's most cherished institutions, and will support the NHS to make the right decisions for the long term, setting it on a sustainable path to continue to deliver world-class care. However, we know that, given the challenges the NHS faces from growing demand and an ageing population, there will still be difficult decisions to make to transform services and ensure maximum value for taxpayers' money.

In return for this new investment, the Government will now ask NHS leaders to produce a ten-year plan, led by clinicians, and professionals, and supported by local health and care systems across the country. This plan should set a vision for the health service and ensure every penny is well spent.

We are able to invest in the NHS because we have made difficult but necessary decisions to get the nation's finances back in order. Some of this extra funding will come from the money we will no longer be sending to the European Union after we have left, but, as a country we will have to contribute a bit more for the NHS, in a fair and balanced way. The Chancellor will set out precisely how we do this in due course.

It is also worth noting that the Government already ensures that around 20 per cent of National Insurance contributions charged on earnings go directly to the NHS.

As with all aspects of Government policy, we keep tax rates under review, and any decisions on future changes will be taken in the context of the wider public finances.

A handwritten signature in black ink, appearing to read 'Steve Barclay', with a stylized flourish at the end.

STEVE BARCLAY