



Department
of Health

From the Rt Hon Jeremy Hunt MP
Secretary of State for Health

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The Rt Hon George Howarth MP
By email to: george.howarth.mp@parliament.uk

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Dear George,

Thank you for your correspondence of 21 September to Philip Hammond on behalf of a number of your constituents about NHS funding. As the issues raised are about healthcare, your letter has been passed to the Department of Health.

I appreciate your constituents' concerns and I note the points they raise.

Firstly, in spite of continuing fiscal challenges, we have committed to increase funding for the NHS in England. NHS funding will be £10billion higher in real terms by 2020/21.

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 (CQC) and the NHS Trust Development Authority.

More information about the *Five Year Forward View* can be found on NHS England's website at www.england.nhs.uk.

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 order to be able to continue to meet rising demands, however, the NHS needs to make significant efficiency improvements. In the Spending Review, the Government also reaffirmed the need for the NHS to deliver £22billion in efficiency savings by 2020/21, as set out in the *Five Year Forward View*.

To support this, we have introduced tough new financial controls to cut down on waste in the NHS. We are also introducing a £2.1 billion Sustainability and Transformation Fund, of which £1.8 billion will go towards sustainability and £300 million to support transformation. The Fund is intended 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.

Furthermore, we believe that, where used properly, private finance initiative (PFI) contracts can offer good value for taxpayers. Since 2012, NHS trusts have been following HM Treasury guidance to realise contract savings through the periodic value testing of, and negotiation of specification changes to, soft facilities management services such as catering, cleaning, laundry and portering services. Trusts are themselves best placed to decide and manage this, but the Department will continue to help and to offer advice as required.

Lord Carter's report on hospital productivity also makes a number of recommendations that could save the NHS up to £5 billion every year by 2020. This report is called *Productivity in NHS hospitals* and is available on the Government website at www.gov.uk by searching for the report title.

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 £1.5 billion by 2019/20 and this will be included in the BCF. We are also introducing a social care precept that could raise up to £2 billion by the end of this Parliament.

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 sustainable services to patients. We are also committed to ensuring that staffing levels and resource allocations in hospitals and NHS trusts are safe and compatible with providing high-quality care for all patients.

Independent regulators such as the CQC and NHS Improvement make sure that health services provide people with safe, effective, compassionate and high-quality care, while assisting services to improve.

With regard to the recruitment, training and retention of NHS staff, I can assure your constituents that we recognise the skill and dedication of all NHS staff performing vital and much valued work, and the Government is very serious about ensuring adequate staffing in the NHS.



Department of Health

We committed to supporting the development of a modern workforce that is flexible and responsive to the needs of patients and service users. We set up Health Education England (HEE) to deliver a better healthcare workforce for England and it is responsible for ensuring a secure workforce supply for the future, balancing need against demand, and taking into account such factors as the age profile of the existing workforce, the impact of technology and new drugs.

On 4 October I announced plans to ensure that by the end of the next Parliament we will make the NHS self-sufficient in the supply of newly qualified doctors and that the number of medical training places available to students each year will be increased. From September 2018, the Government will fund up to 1,500 additional student places through medical schools each year.

The Government will consult on how these proposals can be implemented. We will also explore ways to ensure graduates provide a return on taxpayer investment to the NHS through, for example, a minimum period of four years' service in the NHS.

We are also recruiting more home-grown nurses by significantly increasing training places, promoting return to practice programmes and improving retention of existing staff. NHS leaders have encouraged trusts to adopt an approach to safe staffing levels that focuses on quality of care, patient safety and efficiency rather than just numbers and ratios of staff.

HEE has already increased nurse training places by 14 per cent over the last two years and it is forecasting that more than 23,000 additional nurses will be in place by 2019. Furthermore, with over 50,000 doctors in training, HEE will continue to ensure that hospitals in England have the staff available to give patients high quality care 24 hours a day, seven days a week.

As I am sure your constituents will agree, access to a highly-skilled nursing and healthcare workforce is crucial to the operation of the NHS. We are therefore also looking at options to further support the workforce by increasing the numbers of apprentices working in the NHS.

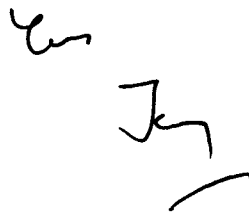
Our priority is to ensure that the NHS remains one of the best healthcare systems in the world and, as part of this, ensuring that staffing and resource levels in NHS organisations are safe and compatible with providing high-quality care for all patients.

Your constituents may be interested to know that, internationally, the NHS performs very strongly and has been ranked first overall in an international comparison of healthcare in 11 industrialised nations by the Commonwealth Fund, scoring highest on quality, access, and efficiency. This does not mean that the system is perfect and we do recognise that there are opportunities for improvement, as with all health systems.

Based on the latest internationally comparable Organisation for Economic Co-operation and Development (OECD) data, total health spending in the UK, which includes public and private spending, is at 9.9 per cent of national GDP. This is above the OECD average of 9 per cent and the EU-15 (a project that reviewed regulatory policy across 15 European countries) average of 9.8 per cent.

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 will continue to support local services in determining how best to meet the needs of patients in their areas.

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

A handwritten signature in black ink, appearing to read 'J. Hunt', with a horizontal line underneath.

JEREMY HUNT