

2007 Pre-Budget Report and Comprehensive Spending Review

Department of Health

Achieving fair and responsive health and social care services

The 2007 Comprehensive Spending Review continues a decade of unprecedented investment with a three-year settlement for the Department of Health, increasing the NHS budget by 4 per cent per year in real terms, taking total NHS funding from £35 billion in 1997-98 to £110 billion in 2010-11.

This settlement provides the funding to deliver the measures set out in Lord Darzi's *Our NHS, Our Future* interim report which was published on 4th October. The settlement sets out measures to deliver the Government's vision of an NHS that is:

- Fair – with a new comprehensive strategy to reduce health inequalities in life expectancy and infant mortality and additional resources to tackle child obesity;
- Personalised – with a maximum of 18 weeks from referral to treatment by next year, new services for people with long term conditions and new measures to increase GP access, including additional resources for over 100 new GP practices in areas with low provision and 150 new health centres open 7 days a week;
- Effective – with up to £100m for a new Health Innovation Council to drive a more innovative NHS, expansion of the single fund for health research to £1.7bn, £75 million over the CSR period to deliver further reductions in cancer waiting times and a named midwife for all pregnant women;
- Safe – with £130m for the introduction of MRSA screening for all patients increased powers for matrons, tougher regulation on infection control and a further £140m by 2010-11 to reduce *c. difficile* infections; and
- Locally accountable – Lord Darzi is leading engagement with over 1500 clinicians, as part of empowering staff locally to lead

change, with fewer national targets and greater local freedom to set priorities in key areas such as long-term care.

This settlement also announces an increase in spending on adult social care. Overall local authority funding – from which adult social care is funded – is to increase by £2.6 billion by 2010-11. In addition, direct funding from the Department of Health for social care for older people and support services for carers will increase by £190m to £1.5 billion by 2010. This will support delivering the vision set out in ‘Our Health, Our Care, Our Say’ through:

- personalised budgets giving people who use services choice and control over their support;
- provision of advocacy and information services for people who use services in every local authority;
- increased focus on preventative services to support people to live independently; and
- support for 3,000 people with learning disabilities to leave NHS accommodation and be supported to live independently

In addition, today the Government is announcing its intention to produce a Green Paper on reform to the system of adult care and support, in order to ensure that an affordable system is in place for the 21st century. These reforms will ensure that state resources are targeted effectively, and that enable people to have choice and control over the ways they live their lives.

The Secretary of State for Health, Alan Johnson, said:

“This is a good settlement for health and social care. Over the last decade we have invested to increase the capacity of the NHS so that the service is able to treat more people more quickly. This settlement locks in that record investment and provides for additional real terms growth. Today’s extra investment, combined with increased efficiency, means we can now focus unremittingly on improving quality, safety and access for all within a locally accountable and clinically led NHS. The increase in funding for social care, combined with a new Green Paper on the care system, recognises the changing nature of our society and the increasing numbers of carers old and young. With this investment and reform we will put dignity and control in the hands of those who use the care system.

NOTES FOR EDITORS

1. The Government announced today an unprecedented development in health research:

- the largest ever increase in Government funding for health research (to £1.7bn); including ring-fenced funding for the National Institute for Health Research through the Department of Health (of £1bn by 2010-11)
2. This demonstrates this Government's commitment to health research and our recognition of its central importance to our country. This new commitment will ensure that our excellent basic science is sustained and is translated into increased benefits and opportunities for all patients

Table

NHS England baseline and additions

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	86,848	5,793	11,651	17,985
of which near-cash	83,796	5,680	11,266	17,354
Capital DEL	4,177	412	1,175	1,909
Total DEL¹	90,352	6,078	12,545	19,454

¹ Full resource budgeting basis, net of depreciation.

Adult social care baseline and additions

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	1,205	32	88	190
of which near-cash	1,191	32	88	190
Capital DEL	121	0	0	0
Total DEL¹	1,314	32	88	190

¹ Full resource budgeting basis, net of depreciation.

Food Standards Agency baseline and additions

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	144	-4	-7	-10
of which near-cash	141	-3	-7	-10
Capital DEL	1	0	0	0
Total DEL¹	143	-3	-7	-10

¹ Full resource budgeting basis, net of depreciation.

Department of Health¹ and Food Standards Agency baseline and additions

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	88,198	5,822	11,732	18,165
of which near-cash	85,129	5,709	11,347	17,534
of which administration	277	-7	-13	-20
Capital DEL	4,299	412	1,175	1,909
Total DEL²	91,809	6,107	12,626	19,634
	Estimate	Projections		
	2007-08	2008-09	2009-10	2010-11
Total UK public sector health spending ³ (£ billion)	104.8	111.1	118.6	126.7

¹ Department of Health comprises NHS England and adult social care.

² Full resource budgeting basis, net of depreciation.

³ UK public sector health spending measured consistently with international definitions from the UN classifications of the functions of government (COFOG). Actual outcomes are subject to spending decisions by devolved administrations.

For further details of DoH's settlement and Departmental Strategic Objectives for the CSR07 period, please see *The 2007 Pre-Budget Report and Comprehensive Spending Review: Meeting the aspirations of the British people* www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm

The Government today announced 30 cross-departmental Public Service Agreements, setting out the top priorities for the CSR07 period. For further details on these please see: www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm

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