Spending Review member briefing

Overview

This short briefing provides a summary of some of the key announcements from the 2019/20 Spending Round held by the government on 4 September 2019.

The BMA’s response to the Spending Round can be found [here](#).

Ahead of the spending round announcement the BMA wrote to the Chancellor of the Exchequer to highlight the urgent need for investment in health and social care across a number of key areas, and to express our concern that longer term decisions on spending have been pushed back in favour of a single-year Spending Round. Our letter to the Chancellor can be found [here](#).

Below summarises the announcements which are relevant to doctors, looking at spending on the NHS as a whole, on public health and on social care.

A full copy of the 2019 Spending Round can be found [here](#).

“After years of underinvestment, the NHS has been left struggling to cope with year-round pressures, leaving patients suffering long waits and doctors and their colleagues with rock-bottom morale. Today represents another missed opportunity from the Government to turn this around.”

Chaand Nagpaul, BMA council chair
NHS funding

The Government confirmed that the NHS in England will receive a funding increase of £6.2bn in 2020/21. However, it is important to note that the vast majority of this funding increase has previously been announced, with £4.1bn of this increase being already committed through the five-year funding settlement agreed last summer as part of the Long Term Plan.

In addition, this increase also includes the recent announcements relating to capital investment of £1.8bn in NHS estates and capital investment in artificial intelligence. Increased funding for Health Education England’s budget was also announced, the majority of this funding boost will be used to increase the Continuing Professional Development budget for nurses, midwifes and Allied Health Professionals by £150m.

Where funding has been announced for England in the Spending Round, Scotland, Wales and Northern Ireland will receive corresponding increases via the Barnett Formula.

BMA view: The BMA has previously made clear that in our view the government’s planned funding increases for the NHS are not enough to deliver the ambitions set out in NHS England’s Long Term Plan. The money set out in this Spending Round does not represent a significant departure from previous plans, and remains insufficient to safeguard the quality and safety of patient care. The Government also failed to set out how it will reform pension taxation to resolve the current pensions crisis that is besetting the NHS.

Public Health funding

The Government committed to providing a real terms increase to the Public Health Grant in 2020/21. We are still awaiting further detail regarding this announcement, but it appears this will make no significant progress towards the £1bn increase that the BMA and other stakeholders believe is required to reverse the cuts to the Public Health Grant over recent years.

The Government also announced the budget for addressing homelessness and rough sleeping will increase by £54m, a 13% real-terms increase, in 2020/21.

The Government also announced it will increase funding for air quality by £30m, along with a further £30m of funding for biodiversity measures.

BMA view: The BMA made clear in its letter to the Chancellor that in order to prevent more ill health, increased funding must be set aside for public health. This Spending Round is a missed opportunity to address this.

Additional funding to address homelessness – an issue we and our members have recently been campaigning on – is a positive step. The Government must go further, and concerted action must be taken to tackle this public health emergency and this must be supported by an ambitious social housing programme.

The announcement on air quality also reflects BMA campaigning on this issue, but again we urge the Government to go further if real progress is to be achieved in this area, as £30m of investment is completely inadequate to address the future impacts of air pollution on health and social care, which are estimated to amount to over £5bn by 2035.
Social Care funding

In recognition of the crisis in social care, the Government announced that an additional £1bn of funding will be provided to adult and children’s social care in 2020/21. In addition, the Government will also again enable councils to raise council tax by two per cent to fund social care. If taken up by all councils, this could raise an additional £0.5bn for social care in 2020/21.

BMA view: We welcome the recognition of the current crisis in social care, which is impacting on the NHS. However, this additional funding most likely falls short of the required funding as identified by numerous expert stakeholders, and the Local Government Association, in particular, estimated £2.3bn was required in 2019/20, and this funding shortfall is only likely to have grown over this year.

Brexit funding

The Government announced a further £2bn of funding would be made available in 2020/21 for Brexit preparations. This is in addition to the £2.1bn the Government has already committed to spending on Brexit preparations in this current spending year.

BMA view: We remain unconvinced that the Government’s Brexit preparations, or indeed this funding, will protect the NHS from the catastrophic consequences of a no deal Brexit, and specifically one on the cusp of winter, when pressure on the system is at its worst. In addition, it cannot be ignored that Brexit preparations have now consumed at least £4.1bn of Government funding at a time when the NHS and the whole health and social care sector is in urgent need of significant investment.