At a time when departments are experiencing cuts of up to 40 per cent, Osborne’s commitment to a £10bn real terms increase in the health service budget, with the first £6bn delivered up front next year, should be hailed a success. This investment, Osborne explained, was the most significant since the NHS had been created.

This achievement is largely down to NHS England’s chief executive, Simon Stevens who warned against lower levels of investment as it could leave the health service unable to meet ever increasing demand.

Osborne said mental health had been neglected for too long and with this, earmarked an additional £600m meaning that by 2020, more people will be able to access talking therapies, perinatal mental health services, and crisis care.

While all eyes were on Osborne and the impact the spending review would have on health and social care spending, Secretary of State for Health Jeremy Hunt quietly offered to use arbitration organisation ACAS to negotiate with junior doctors, due to strike next month.

Headlines

- £10bn real increase in the health service budget
- 25 per cent cut in the Whitehall budget of the Department for Health
- Replace direct funding with loans for new students
- Create up to 10,000 new nurse training places
- More than £5 billion investment in health research
- 5 million more outpatient appointments
- 2 million more diagnostic tests
- Cancer testing within four weeks
- £600m additional funding into mental health services
- An extra £1.5bn by 2019-20 for the Better Care Fund

Actions and Commitments

**NHS Funding**

Over the next five years, the Government will invest £0.5tn in the NHS. (2.33)

There will be a £10bn real terms increase in funding by 2020-21 to deliver seven day services. (2.34)

£22bn of efficiency savings are to be found by 2020-21. (2.42)
£300m per year will be invested on diagnostics by 2020 to fund new equipment and additional staff capacity. (2.36)

£600m investment in mental health services will give more people access to talking therapies by 2020. (2.37)

£150m will be spent on a new Dementia Research Institute. (2.38)

£400m over eight years will create a new Science Hub providing Public Health England labs in Harlow, Essex, relocating existing facilities in Porton Down and Colingdale. (2.3).

£4.8bn of capital funding has been allocated every year for the next five years, with £1bn integrating patient records across health and social care by 2020. At least £500m over the next five years will be spent on new hospitals. (2.40).

£5bn in health research and development will fund key priorities such as the 100,000 genomes project and research into anti-microbial resistance. (2.41)

The Government will invest £1bn in new technology over the next five years to deliver better connected services for patients. (1.101)

**Integrated Care**

Health and social care services will be integrated by 2020 with local areas developing plans by 2017 (2.49).

The Government will invest over £150bn in health spending in the Northern Powerhouse. (1.259)

The Government will sell Department of Health corporate and financial assets: Community Health Partnerships subordinated debt and Credit Guarantee Finance lending to Private Finance Initiative projects. (1.302)

**NHS Workforce**

Health students will receive more cash support from the Government by moving from grant to loan funding, asking larger employers to contribute more to the cost of higher quality apprenticeship training and replacing some innovation funding with loans. (1.57)

Grants for health students will be replaced by loans and the cap on places for nursing, midwifery and allied health subjects will be abolished (2.46).

**Social Care**

Local authorities will be given an additional 2 per cent flexibility on their current council tax referendum threshold to be used entirely for adult social care. (1.242)

Government makes available social care funds of £1.5b by 2019-20 for local government. (1.242)
Government will also consult on changes to the local government finance system to rebalance support including to those authorities with social care responsibilities by taking into account the main resources available to councils. (1.242)

Government confirms the delayed introduction of the cap on care costs until 2020 (3.5)

A social care council tax ‘precept’ of two per cent will allow councils responsible for delivering adult social care to raise up to £2bn a year by 2019-20. (2.124)

Local authorities will be given additional two per cent flexibility on their current council tax referendum threshold to be used entirely for adult social care. (2.124)

By 2019-20, the Government will make £1.5bn available to local authorities to add to the Better Care Fund and support better joint working between health and social care. (2.124)

From 2017 social care funds for local government will be made available, rising to £1.5bn by 2019-20. (1.107)

Research

Over £5bn of investment in health research and development will be made by the Government, including £250m for the 100,000 Genomes Project. (1.102)

The Government will invest £50m in a Global Antimicrobial Resistance Innovation fund to address underinvestment in antimicrobial resistance research. (1.102)

The Joint Work and Health Unite will be funded by over £115m, including at least £40m for a health and work innovation fund. (1.106)

The Government will fund a new £1bn Ross Fund to invest in the research and development of drugs, vaccines, diagnostics and treatments to combat infectious diseases. (1.102)

Savings

Annual real terms savings of 3.9 per cent will be made over the next five years. (2.47)

A new statutory duty will be introduced for the emergency services to collaborate by early 2017, on areas such as procurement, new stations and vehicle maintenance. (1.285)

In December 2015 all departments will publish Single Departmental Plans which will set out their priorities and how they will deliver these with the resources they have been allocated. (1.306)

Consultations

Students studying nursing, midwifery and allied health subjects from September 2017 will be moved on to the standard student support system, with the details subject to consultation. (3.122)
Legislation

The Government will publish a White Paper in the New Year that will set out reforms to improve support for people with health conditions and disabilities. (1.132)

Stakeholder Comment

Concerns were raised by the Voluntary Organisations Disability Group on social care funding. They called the proposed settlement ‘woefully inadequate’, but welcomed the social care local government stipend.

The Royal College of Midwives criticised the termination of bursaries for student midwives and nurses. They highlighted that the effect that this would have on people considering the profession coupled with the ‘retirement time bomb’ of thousands of midwives would lead to a crisis within the maternity services.

ASH responded to the announcements on public health spending by warning that reductions in spending are “storing up trouble for the future”.

The New Local Government Network said the plans for council funding show the Chancellor is “in denial” about the impacts of demographics on social care. They added that local government should find innovative solutions for efficiency but “cannot be expected to outwit the aging process” http://bit.ly/21fNuvN

Sense were extremely disappointed by the lack of a long term vision for social care, but welcomed the extra funding announced for the nursery sector.

Independent Age welcomed the increases in NHS expenditure and the state pension but criticised the lack of funding for social care even with the new council tax precept. They called on the Government to “lead an honest debate about the future of social care in this country, and how we deliver these vital services to growing numbers of older people on ever shrinking budgets”.

GMB General Secretary Paul Kenny accused the Chancellor of “passing the buck” on the care sector to local authorities when “the Government itself has the responsibility to fund the care of the elderly and other vulnerable adults”.

Harpal Kumar, Cancer Research UK’s chief executive, said: “The much-needed investment in the NHS is crucial for the new cancer strategy for England, and we need to see a suitable amount of this funding reaching frontline cancer services. But if the Government is serious about tackling cancer then marking public health for substantial cuts is short-sighted”.

Together for Short Lives recognised that this was a challenging Spending Review, but expressed their disappointment that the needs of children and young people with life shortening conditions, and their families, have not been recognised in the Chancellor’s announcements today.