

The 2007 Comprehensive Spending Review (2007 CSR) will increase spending on the NHS by 4 per cent per year in real terms, taking its budget from £90 billion in 2007-08 to £110 billion by 2010-11. Together with value for money savings of at least £8.2 billion, and following the interim Darzi Review, this investment will enable the delivery of the Government's vision of an NHS that is fair, personalised, effective, safe, and locally accountable. This includes:

- **improved access to GP services**, with additional resources for over 100 new GP practices in the 25 per cent of Primary Care Trusts (PCTs) with the poorest provision, and 150 new health centres open seven days a week;
- **cleaner hospitals**, with the introduction of MRSA screening for all elective patients next year, and for all emergency admissions as soon as practicable within the next three years, deep cleaning of hospitals and increased powers for matrons and ward sisters to report concerns; and
- **a more innovative NHS**, with a new Health Innovation Council to drive innovation, and fully funding the Cooksey Review recommendations, increasing Department of Health Research and Development spending to over £1 billion by 2010-11, taking the single fund for health research to £1.7 billion.

The Government remains committed to investment in adult social care. Building on the record investment over the last decade, **resources for local authorities, which provide adult social services, will be £2.6 billion higher by 2010-11 than in 2007-08, representing an annual average growth of 1 per cent in real terms.** As part of its plans to enhance services, the Government will:

- **increase direct funding for social care by £190 million to £1.5 billion by 2010-11**, including funding to enable greater personalisation of services, and more support for carers;
- **provide a personalisation, choice and control package for social care** including individual budgets, preventative projects for older people, advocacy and information services, and investment in the social care workforce; and
- **consult on reform of the public support and care system** focusing particularly on older people, to ensure a sustainable system that targets resources effectively, is affordable and promotes independence, well-being and control for those in need.

Achievements so far **D2.1** The Wanless Review of 2002 demonstrated that while the NHS of 1997 had the right system of funding, it lacked the investment and capacity needed to deliver the standards of healthcare achieved in other leading countries. Over the last decade, the Government has almost doubled real NHS funding, the largest sustained increase in NHS history. This investment has brought more staff and modernised infrastructure. In addition, overall local government funding has increased by almost 40 per cent in real terms, increasing resources for adult social care. Investment has been accompanied by reforms to ensure services respond to changing demands placed upon them. The balance of power in the NHS has fundamentally shifted towards the local level.

D2.2 Investment and reform have meant major improvements. People are living longer, healthier lives, with greater choice over how to access the services they need. In 1997, over 280,000 people were waiting more than six months for an operation; in 2007 virtually no-one waits six months, and the average wait is under six weeks. Improvements in public health, along with better treatment for cancer and heart disease, had already helped to increase life expectancy by 2.1 years for men and 1.4 years for women by 2004. Having responded to the need for more capacity, the NHS is increasingly addressing the productivity challenge – for example average length of stay in hospital has fallen to 5.5 days from 8.8 days in 1997. Social care standards have also risen. The target set for improving quality of life for older people by ensuring 30 per cent of those with intensive needs received care in their own homes was met two years early.

Responding to challenges ahead

D2.3 Substantial challenges remain for health and social care services. Public expectations rightly continue to rise. People want care that is closer to home and tailored to their specific needs. Individuals need to be supported to take control of their own care, while services need to be provided where and when they are most convenient. In the long term, increasing life expectancy and lifestyle changes pose additional challenges. Future technological developments need to be grasped to further improve the quality of life people are able to enjoy. After a decade focused on expansion and reform, the levers are now in place to lock in sustained productivity improvements to ensure further advances are delivered with value for money to the taxpayer. **Delivery of these priorities will be driven by the Departmental Strategic Objectives to:**

- **ensure better health and well-being for all: helping you stay healthy and well, empowering you to live independently and tackling health inequalities;**
- **ensure better care for all: the best possible health and social care when and where you need help giving you choice and control; and**
- **provide better value for all.**

D2.4 The Department of Health will lead on two cross-governmental Public Service Agreements (PSAs) to promote better health and well-being for all, and to ensure better care for all.

RESOURCES AND REFORM

D2.5 Building on the progress of the last ten years, and recognising the future challenges, the 2007 CSR secures the investment made by this Government and **increases spending on the NHS by 4 per cent per year in real terms, taking its total budget from £90 billion in 2007-08 to £110 billion by 2010-11.**

D2.6 This additional investment will be accompanied by value for money reforms realising annual net cash-releasing savings of at least £8.2 billion by 2010-11. It will be for individual NHS bodies to decide the best measures for their local circumstances, but an initial assessment of the more significant areas of opportunity are:

- a series of measures to change the way health services are delivered, for example improving community-based services to help those with long-term conditions avoid traumatic and expensive emergency admissions, realising net cash-releasing savings of around £500 million per year by 2010-11;
- reducing variations in productivity across the NHS by spreading new technologies and best practice across the NHS. Reducing such unnecessary variation could potentially generate net-cash-releasing savings of £1.5 billion per year by 2010-11; and
- improving procurement practices, which could realise net cash-releasing savings of up to £1bn per year by 2011.

DELIVERING BETTER HEALTH

D2.7 Value for money reforms, together with the sustained investment set out above, will deliver the resources required to achieve the Government's vision for the NHS. As set out in Lord Darzi's *Our NHS, Our Future* interim report, this is an NHS that is fair, personalised, effective, safe, and locally accountable.

A fair NHS **D2.8** The NHS was founded upon the values of universality and fairness. These values are as relevant today as when they were set out almost 60 years ago. Over the CSR07 period, the Government will develop a new comprehensive strategy to reduce health inequalities to ensure the NHS continues to benefit all regardless of circumstances.

A personalised NHS **D2.9** It is increasingly necessary for the NHS to respond to the needs and wants of each individual. This settlement allows further progress to be made on making the health service fit around patients, rather than patients having to fit around the service. **Access to GP services will be improved with the development of greater flexibility in opening hours. and additional resources for over 100 new GP practices in the 25 per cent of PCTs with the poorest provision and 150 GP-run health centres, open seven days a week, 8am to 8pm.**

D2.10 Access to services is to be further improved with the **delivery of a maximum 18 week wait from GP referral to hospital treatment by the end of 2008**, virtually ending long waits. In addition, **better support is to be provided for those with long term conditions to live independently and control their own condition**, including by moving towards a care plan for every person with a life limiting illness.

An effective NHS **D2.11** The 2007 CSR will also enable the NHS to deliver outcomes for patients that are among the best in the world – saving more lives and improving the quality of life. To achieve this, a new Health Innovation Council is to be set up to increase innovation across the NHS. **The 2007 CSR also announces full funding of the Cooksey Review recommendations to maximise translation of research excellence into health and economic benefit. This will take Department of Health Research and Development spending to over £1 billion by 2010-11 and taken with the £682 million from the Medical Research Council, will help to take the single fund for health research to £1.7 billion.**

A safe NHS **D2.12** It is fundamental that the NHS of the future is as safe as it can possibly be, giving patients and the public full confidence in the care they receive. **The 2007 CSR will deliver this with funding for visibly cleaner hospitals, increased powers for matron to target on MRSA and the introduction of MRSA screening for all elective patients next year, and for all emergency admissions as soon as practicable within the next three years.**

A locally accountable NHS **D2.13** Healthcare will continue to evolve at a rapid pace, and the NHS will have to change over the coming years to keep up. However, where change is necessary, **the Government wants to empower staff locally to lead change and innovate, engaging early and effectively with the public and ensuring that change is based on best clinical evidence and meets local needs.**

Adult social care D2.14 Adult social care continues to play a central role in protecting and promoting independence and well-being amongst the elderly and some of the most vulnerable groups in society. **Investment in Local Authorities, which provide adult social services, will be £2.6 billion higher by 2010-11 than in 2007-08.** Growth in the Department's social care funding which directly supports new policy initiatives will increase by £190m taking it to £1.5 billion by 2010-11. This funding will enable social services to build on progress already made in developing personalised services that give service users and their carers greater choice and control over the way in which their needs are met. In particular this investment will enable:

- **further expansion of care tailored to the individual, including individual budgets**, subject to a thorough evaluation to be completed in 2008. This will build on progress made so far in enabling people to stay as independent and in control of their lives as possible;
- **continued investment in prevention**, enabling service users to retain their independence and improve their quality of life. This includes expanding the Partnership for Older People's Projects; and
- **NHS residential accommodation for those with learning disabilities to be phased out**, with individuals being supported to live independently in their own homes in communities.

D2.15 The Government also plans to consult on reform of the public support and care system focusing on older people, to ensure a sustainable system that targets resources effectively, is affordable and promotes independence, well-being and control for those in need.

Table D3: 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
<i>of which near-cash</i>	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.

Table D4: Adult social care baseline and additions

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	1,205	32	88	190
<i>of which near-cash</i>	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.

Table D5: Food Standards Agency baseline and additions

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

¹ Full resource budgeting basis, net of depreciation.

Table D6: 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
<i>of which near-cash</i>	85,129	5,709	11,347	17,534
<i>of which administration</i>	277	-7	-13	-20
Capital DEL	4,299	412	1,175	1,909
Total DEL²	91,809	6,107	12,626	19,634

	£ billion			
	Estimate	Projections		
	2007-08	2008-09	2009-10	2010-11
Total UK public sector health spending³	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.