



HEALTH AND NHS FUNDING Conservatives continue their focus on the NHS

- The NHS in England will receive an extra £8 billion a year in real terms by 2020, on top of the £2 billion announced at Autumn Statement 2014. This is intended to help plug the £30 billion resource gap identified in the NHS England Five Year Forward View, as well as enable a 7-day NHS by 2020, and deliver a step change in safety, quality and access.
- Pay rises for all public sector workers, including nurses, doctors and other healthcare professionals, has been frozen at 1% for the next four years.
- The Sheffield and Liverpool city regions, as well as Leeds and West Yorkshire, are in discussions to receive a devolution deal similar to that in Greater Manchester, which saw the transfer of the control of the £6 billion health and social care budget to the region. In exchange for these devolved powers, each of these areas will see the creation of directly elected mayors.

WHITEHOUSE ANALYSIS

Although not exactly a new announcement, the extra funding for the NHS constitutes a fulfilment of the Conservatives manifesto pledge to do so. The news will not satisfy some, particularly influential health think-tank the King's Fund, which argued prior to the Budget that £8 billion is the bare minimum and that the funding should be front-loaded early to prevent NHS providers overspending this year.

Despite the news of extra funding for the health service, the restrictions on public sector wages are unlikely to please doctors and nurses. Osborne's announcement could lead to have an impact on Department of Health doctor and nurse recruitment targets, with the NHS Five Year Forward View noting that NHS pay would need to stay in line with private sector wages to ensure adequate staffing levels.

City devolution plans, particularly those involving the transfer of health and social care budgets, will be important to monitor over the next year. There is currently no uniform model for devolution, with the potential for each project to exhibit variation between them.