

NHS Funding

1. The Prime Minister has set out a new multi-year funding plan for the NHS, setting the real terms growth rate for spending in return for the NHS agreeing a new long-term plan with the Government later this year.
2. The final settlement and plan will be confirmed at a future fiscal event, subject to an NHS plan that meets the tests we have set out. The first table below sets out the detail behind the Prime Minister’s statement. It shows the planned resource budgets that NHS England; and what these amount to as additional funding in real terms.
3. Real growth calculations use the GDP Deflators as set out in the Economic and Fiscal Outlook in March 2018.
4. The 2018–19 baseline has been uplifted by £800m to take account of additional funding that the Government will provide to the NHS in the current financial year to cover Agenda for Change pay deal costs – as previously announced. This baseline excludes NHS England revenue budgets for depreciation and impairments, which will be handled separately.
5. ‘Pensions funding’ refers to the expected increase to NHS employer pension contributions from 2019–20 onwards.
6. Beyond the current Spending Review period, Barnett consequentials are calculated on the basis of the increase in NHS England spending over an assumed baseline. The final Barnett consequentials for all three devolved administrations will be confirmed at upcoming Fiscal Events and at the next Spending Review, as per the usual process set out in the Statement of Funding Policy.

NHS England RDEL (excluding depreciation)	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
New nominal budget (£bn)	114.60	120.55	126.91	133.15	139.83	147.76
Cumulative real growth (18/19 prices) (£bn)		4.1	8.3	12.1	16.1	20.5
Real growth (%)		3.6%	3.6%	3.1%	3.1%	3.4%
Plus pensions funding (£bn nominal)						
		1.25	1.25	1.25	1.25	1.25
Revised new nominal budget (£bn)	114.60	121.80	128.16	134.40	141.08	149.01

£ billion (nominal)	2019-20	2020-21	2021-22	2022-23	2023-24
Barnett consequentials – Scottish Government	0.60	0.92	1.32	1.76	2.27
Barnett consequentials – Welsh Government	0.37	0.55	0.80	1.06	1.37
Barnett consequentials – Northern Ireland Executive	0.20	0.31	0.45	0.59	0.76