



Department  
of Health &  
Social Care

*From the Rt Hon Sajid Javid MP  
Secretary of State for Health and Social Care*

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Dear colleagues,

## **Building Back Better: Our Plan for Health and Social Care**

Never has it been clearer just how much this country values its health and social care system. The case for protecting, supporting and investing in these vital services - or the skilled and dedicated people within them - has never been stronger.

As we announced last week, the Government will introduce a new Health and Social Care Levy to provide the funding required to tackle deep-rooted issues in social care, and to support the National Health Service to recover from the extraordinary challenges it has faced during the pandemic.

The new 1.25% Levy, based on National Insurance contributions, will raise around £12bn per year over the next three years. Introducing this Levy is not a step the government takes lightly. The plan set out below will lead to a significant permanent increase in funds available for health and social care across the UK. The Levy will be payable across the whole of the UK, and every penny it raises will flow straight into those responsible for health and social care, including in Scotland, Wales, and Northern Ireland.

We want to work hand in hand with the adult social care sector and local leaders to further develop and deliver these reforms, including co-developing a White Paper for Adult Social Care that we will publish later this year. This will set out further detail on our proposals, including new support for unpaid carers; better information, advice, and guidance to help prospective care users navigate the care system.

### **Adult Social Care Reform**

The Government will work closely with the sector to begin a comprehensive programme of adult social care reform. This means investing £5.4 billion between 2022-23 to 2024-25 and includes decisive action to protect individuals from the risk of unpredictable costs, as well as major improvements to the wider social care system in England.

We will implement a charging model based on the one proposed by Sir Andrew Dilnot in 2011. We will introduce an £86,000 cap on personal care costs, as well as making the existing means-testing regime far more generous. We will be increasing the upper capital limit more than four-fold to £100,000 and the lower capital limit to £20,000. This ensures that many more people with assets below £100,000 will be eligible for some means-tested local authority support and those with assets below £20,000 will only need to contribute

towards their personal care costs from their income. Nobody will need to pay more than £86,000 for personal care over their lifetime. This reform will increase the number of people who benefit directly from state support in the social care system from around half to two thirds in the long term. In addition, everybody will benefit from the security of knowing that, if they need personal care, they will not face completely unpredictable and unlimited costs.

We are also making a significant investment of at least £500m in the adult social care workforce, whose commitment and dedication has been an example to us all throughout the pandemic. We will develop a comprehensive plan to invest in training and professional development for social care workers, as well as introducing new mental health, wellbeing, and occupational health resources. We will also fund local authorities to move towards paying care providers a 'fair rate' for care services and will work closely with stakeholders, including local government, before publishing further detail in the Adult Social Care White Paper later this year.

The funding in this package covers the costs to local government of implementing charging reform, including: the cap, the increased capital limit, fair fee rates, and the associated implementation costs. We will consult on proposals for funding distribution and keep this distribution under review, as well as monitoring total actual costs. If these look to differ significantly from projections, we will work closely with local government to address this, including through national guidance, supporting appropriate local level mitigations, and by agreeing necessary updates to distribution mechanisms.

We also want to deliver greater integration between the NHS and social care, as this is key to achieving person-centred care and reducing pressures on both systems. The Health and Care Bill will put Integrated Care Systems on a statutory footing and introduce several other flexibilities.

The government will now work with citizens and other key stakeholders, including local government, to co-produce a comprehensive national strategy for supporting integration between health and social care and taking it to a new level. This will involve creating the right incentives for integration and prevention, as well as working with a wide range of partners to support delivery of more effective care in people's own homes and their communities, breaking down the barriers between services. We will ensure that data flows, regulatory oversight and accountability, all work in the interests of improved integration. We will build on the positive experience of the use of joint leadership roles across local authorities and Integrated Care Systems in recent years to support more systems to take this approach.

## **The National Health Service**

Thanks to the sacrifices of people across the UK, we have been able to protect the NHS from being overwhelmed by Covid-19. But, as the success of our vaccination programme enables the country to re-open, the NHS faces another great challenge. Even whilst continuing to care for significant numbers of Covid patients, we must tackle the growing backlog of patients in need of non-urgent treatment, with millions of individuals waiting for operations, diagnostic checks and other medical procedures.

It is not yet clear how long the waiting list is set to become, as people who did not come forward for help during the pandemic begin to seek treatment. There are, however, now 5.5 million people waiting, 900,000 more than before the pandemic, and estimates suggest the waiting list in England could potentially rise to 13 million.

Throughout the pandemic we have provided the NHS with the resources it needs. We will continue to do so. In this financial year alone, before this announcement we have already provided £29 billion to support health and care services. That includes £6.6bn for the NHS for Covid costs in the first half of the year and a further £3bn for elective recovery, mental health and workforce and NHS Covid costs announced at SR20.

Progress is being made: the NHS in England is now delivering around 90% of the activity it was at this time two years ago. The funding announced yesterday and today will enable it to go much further, so that, by March 2025, the NHS in England could deliver the equivalent of around nine million more checks, scans, and procedures. It will also mean the NHS can aim to deliver the equivalent of around 30 per cent more elective activity by 2024-25 than before the pandemic.

By supporting the NHS to fully recover and beginning our landmark reform of adult social care that has eluded successive governments, we will emerge from the pandemic to build back better, together.

We look forward to working with you in the coming months.

Yours ever,

A handwritten signature in blue ink, appearing to read 'S. Javid.', is centered on the page.

**RT HON SAJID JAVID MP**