



10 DOWNING STREET
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THE PRIME MINISTER

7 September 2021

Dear all,

Throughout the COVID-19 pandemic the Government and devolved administrations have worked closely together to tackle the biggest peacetime challenge our country has faced in recent memory. As we emerge from the pandemic, thanks to the success of our vaccination programme, we now face together the shared challenge of recovery, above all for our economy and our public services.

When we met before the summer, we discussed the difficulties faced by the health services across all parts of the United Kingdom. The elective backlogs in England, Scotland, Wales and Northern Ireland are at record levels. In all the home nations of the UK, dedicated NHS staff alongside other public servants are working flat out to tackle this. But, as we all know, the impact of the pandemic has been profound. Addressing these backlogs will take longer than the next few weeks or months. Whilst health policy is of course devolved across the United Kingdom, with different provisions made in Scotland, Wales and Northern Ireland, the broader challenge is a shared one and there are lessons to be learned from different approaches about what works well and what does not.

The Government is committed to supporting our NHS and to improving health outcomes for citizens across the country. But the scale of the challenge we all face requires a new approach. The Government will therefore make available an additional £12 billion in health and social care across the UK on average per year. This is a significant and permanent increase in public spending.

To provide this record new investment in the fairest way possible, the Government will introduce a new UK-wide Health and Social Care Levy, ringfenced to fund this annual investment in health and social care. The levy will operate UK-wide, ensuring that health and social care in all parts of the UK benefit from significant additional support. The Government will also increase the rates of dividend tax by 1.25% from April 2022, revenue from which will help to fund this settlement.

This funding will provide resource for the next stages of our UK-wide fight against the pandemic (including for the vaccination programme, PPE purchases and Test & Trace programme) which will benefit people in all parts of our country.

We have also set out plans to invest in the NHS and social care in England. The devolved administrations will benefit from Barnett consequential from this spending in the usual way. These will be confirmed at the Spending Review in October, but the Treasury is providing indicative allocations to your Finance Ministers today.

Taken together, Scotland, Wales and Northern Ireland will benefit from around 15 per cent more than is generated from their residents, equivalent to about £300 million a year. Combining Barnett funding and UK-wide spending, by 2024-25 Scotland will benefit from an additional £1.1 billion, Wales from £700 million, and Northern Ireland from £400 million.

I know that colleagues in the devolved administrations have their own ambitions to reform and improve adult social care provision in Northern Ireland, Wales and Scotland. We should continue to ensure our officials work closely together as we develop our various reforms.

At our meeting in June to discuss recovery from the COVID-19 pandemic, we agreed that we should seek to meet again to discuss the next steps of our joint working on COVID-19 recovery. I propose therefore that our ministers and officials work intensively to prepare for this over the coming weeks with a view to us meeting – ideally in person – at a mutually convenient time, next month. We should also take the opportunity to discuss our responsibilities and roles ahead of the COP summit later this year.

We also agreed that we should finalise the Intergovernmental Relations Review to provide a new structure for this and other engagement. Thanks to hard work on the part of ministers and officials in the Government and devolved administrations, we are now in a position to conclude this work. The Chancellor of the Duchy of Lancaster will shortly write to you in this regard.

As ever, we will all have our own perspectives and approaches - and we will not always agree – but I look forward to a further discussion and to us continuing to work together in the interests of people in all parts of our country.

Best wishes
Yours ever
Boris

The First Ministers of Scotland, Wales and Northern Ireland,
and the deputy First Minister of Northern Ireland