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**Director General for Regulation**

Mark Svenson  
Head of Profession for Statistics  
Department of Health and Social Care  
(by email)

24 September 2019

Dear Mark

I am writing to you regarding the [announcement](#) made on 5<sup>th</sup> August 2019 on the provision of £1.8 billion funding for the NHS. This figure consisted of two distinct parts: £850 million of new funding to upgrade outdated facilities and equipment, and a £1 billion increase to NHS capital expenditure limits.

As I am sure you are aware there has been a significant level of debate as to whether the £1 billion increase in capital expenditure should be considered new resource or should be considered cash already held by Health trusts which they have now been given permission to spend as a result of increased limits on capital expenditure. However, further statements and responses from the Department of Health and Social Care (DHSC) do not seem to have fully answered these questions.

DHSC's press release on 5<sup>th</sup> August stated that the whole £1.8 billion was new money, a claim that has been reiterated by Health Ministers. On 17<sup>th</sup> August, NHS Chief Financial Officer Julian Kelly [wrote](#) to NHS trusts informing them that the £1 billion increase in DHSC's baseline capital expenditure limit means they can revert to their original capital plans which are funded by their own income and reserves.

[Full Fact](#) requested more information from DHSC on this matter, and on 29<sup>th</sup> August DHSC responded stating that "*The NHS has an extra £1.8 billion of new funding to invest in projects, money which the NHS did not previously have to spend...This includes £850 million which will directly fund 20 new hospital upgrades—money that had not been previously allocated.*"

So far, we have been unable to identify an authoritative official statement describing how the £1.8 billion is funded, and the mechanisms that led the £1 billion capital expenditure to be withheld and then subsequently released to trusts. I encourage DHSC to release such a statement as soon as possible in order to enhance transparency and support public understanding.

I am sure that you will agree that the relative complexity of the funding structures underpinning this announcement need to be carefully explained.

I am copying this letter to Full Fact.

Yours sincerely



Ed Humpherson  
Director General for Regulation