

Autumn Budget 2024: This Year's Announcements Unpacked and Explained



Overview

On Wednesday 30th October, Chancellor of the Exchequer Rachel Reeves offered us our closest look yet at the Labour government's ambitious vision for the UK economy.

More of a tightrope walk than a traditional statement, the Treasury now has the unenviable task of balancing a programme of transformative, long-term investment against the bridging of a fiscal '*black hole*' that they estimate is £22 billion deep. As such, it was a budget of contrasts: landmark investments, such as a £240 million funding package to safeguard public services, offset by a volley of '*hard but fair*' cost cutting initiatives to '*prevent devastating austerity*'.

In response, **Health Contracts International** (HCI) – the leading platform for healthcare contracts business intelligence – asks: how will the Autumn Budget impact the health and social care sector in real terms? Have the government's initial objectives been achieved? Most importantly, how can suppliers eager to access the dynamic, highly specialised NHS marketplace capitalise on a raft of newly announced opportunities?

In answer to these questions, our analysts have outlined the major announcements and opportunities below to give you a clearer picture of the changing state of the NHS, the government's current direction of travel and, ultimately, what it all means for you.

The Health Sector Opportunity Under the Microscope

One of the most significant announcements made during yesterday's Budget was the £22.6 billion sum allocated to day-to-day NHS spending. This will support the government's wider ambitions of delivering an additional 40,000 elective appointments each week and strengthen the NHS England's ongoing commitment to cutting patient waiting times.

"In the Spring, we will publish a ten year plan for the NHS to deliver a shift from hospital to community from analogue to digital and from sickness to prevention," the Chancellor explained. "Today, we are announcing a downpayment on that plan to enable the NHS to deliver 2% productivity growth next year."

The government has earmarked an additional £1.5 billion to increase NHS capacity, with specific focus on delivering more than 30,000 NHS procedures, over 1.25 million more diagnostic tests and new beds NHS-wide. Given the immense size and condition of the NHS estate, it was also encouraging to see £1 billion allocated to reduce the backlog of critical NHS maintenance, repairs and building upgrades.

Finally, the Treasury has revealed that more than £2 billion is to be invested in NHS technology to digitise essential services and drive NHS productivity improvements. It's hoped that this approach will free up resources and ensure all Trusts have *'Electronic Patient Records, improve cyber security and enhance patient access through the NHS App'*.

The Supplier Outlook

For healthcare suppliers, it's clear that the NHS is a high priority for the Labour government. This renewed focus brings with it a wealth of opportunities, from training initiatives to upgrades to the NHS estate. And with digitisation on the NHS agenda, innovators and tech suppliers looking to enter the dynamic healthcare marketplace ought to be aware of the potential opportunities coming their way.

Responding to yesterday's announcement, Grahame Steed – Director Public Policy and Research at BiP Solutions – commented: *“The Autumn 2024 Budget and Spending Review has been highly anticipated since Labour came into power. While we recognise the challenges that many of the measures and initiatives will present to public and private sector organisations, we are pleased to see much-needed investment into critical areas such as healthcare, education, defence and infrastructure. This investment is vital to deliver services that the UK can be proud of – and we are excited for the opportunities that they present to the public sector supply chain.”*

For more insight on the Autumn Budget, the evolving public procurement landscape or the importance of fostering closer ties between public and private sector stakeholders, contact [HCI](#) today or [connect with us](#) via LinkedIn.