Select Committee on the Long-Term Sustainability of the NHS

Corrected oral evidence: The Long-Term Sustainability of the NHS

Tuesday 13 December 2016

3.05 pm

Watch the meeting

Members present: Lord Patel (Chairman); Baroness Blackstone; Lord Bradley; Bishop of Carlisle; Lord Kakkar; Lord Lipsey; Lord McColl of Dulwich; Baroness Redfern; Lord Ribeiro; Lord Scriven; Lord Turnberg; Lord Warner; Lord Willis of Knaresborough.

Evidence Session No. 32 Heard in Public Questions 292 - 300

Witnesses

I: Jon Ashworth MP, Shadow Secretary of State for Health, Labour; Rt Hon Norman Lamb MP, Spokesperson for Health, Liberal Democrats; Dr Philippa Whitford MP, Shadow Westminster Group Leader (Health), SNP.

Examination of witnesses

Jon Ashworth MP, Rt Hon Norman Lamb MP and Dr Philippa Whitford MP.

Q292 **The Chairman:** Good afternoon, lady and gentlemen. Thank you very much indeed for coming this afternoon to help us with this inquiry. This House of Lords Select Committee has been set up to look at the long-term sustainability of the NHS, looking at 2025, 2030 and beyond, and what will be required to make both healthcare and social care sustainable. We are pleased to have you representing the three opposition political parties and to hear your views. We will be hearing from the current Secretary of State once you have finished. We are being broadcast. We will send you a transcript in a couple of days; feel free to correct but not change the transcript. You know the rules. For the record could you say who you are and your party? If you want to make a very short statement please do so, otherwise we will progress with our questions.

Dr Philippa Whitford: Dr Philippa Whitford, I am the SNP health spokesperson and a surgeon. I think most MPs across the House want the

NHS to have a strong future but there is often disagreement about the best way to do that. It would be beneficial if this Committee could try to find some common threads that would allow a baseline going forward around which people could have a more open discussion.

The Chairman: You are the fourth surgeon in the room.

Dr Philippa Whitford: So do not get ill.

The Chairman: We have some physicians, do not worry.

Norman Lamb: I am Norman Lamb. I am the Liberal Democrat health spokesman and was Minister for care and support between 2012 and 2015. I said something about this subject yesterday in the media. It is critical that we look at the health and care system together. My fundamental point is that the NHS faces an existential challenge. Partisan politics has ultimately failed to come up with solutions, therefore you need to find a process by which you can come up with a long-term sustainable solution. That is why I have argued for a cross-party process. It has to be initiated by the Government; it will not work unless the Government buy into it. A once-in-a-lifetime process to engage with the public so that you take them on a journey with you about how much we are prepared to pay for a modern, efficient and effective health and care system is critically important is the only way in which you can break this logjam.

Jon Ashworth: I am Jonathan Ashworth; I am Labour's shadow Health Secretary, a post I have had for about two months now. I am delighted to be here. I am very much looking forward to the conclusions and deliberations of this Committee, not least because you have considerable expertise. Like Norman and Philippa, I hope that this Committee will consider not only the long-term sustainability of the National Health Service but social care. It is increasingly obvious now, not least from the media coverage of the last 24-hours, that the two cannot be separated out. The Labour Party is very much looking forward to engaging in the debate about these matters as we form our policy platform for the next election.

Q293 **The Chairman**: Thank you very much. I will start with the funding issue that you mentioned. We have heard consistently throughout the inquiry that the current funding system or settlement is insufficient for the funding of both healthcare and social care, particularly so for social care, and will need to increase if the system is to remain sustainable in the long-term. Do you all agree with that statement or do you have another opinion? How do we facilitate a better dialogue with the public on the options for health and social care funding?

Dr Philippa Whitford: Politics is about priorities. When you have whatever money you are going to spend you work out what you are going to give priority to. In the media and in most discussions with the public it is clear that they rank the NHS and social care incredibly high up that list,

often in a way that is not taken account of in this place. I do not think we always have it as high up the list as the public would put it.

There are three major sustainability challenges. There is the increase in demand, with an ageing population but a population that is not always ageing well and is starting to collect illnesses, which is increasing demand and pressure. We are short of workforce, with the lack of doctors, nurses and specialists. Then there is money. We spend a lot of time talking about the money but the money is the easier of the three to deal with because you make a decision.

We have to look at changing the shape of the NHS, looking at sustainability. One thing that is putting a lot of pressure on it and squandering money is the marketisation in the NHS, which is incredibly wasteful. It is quite clear that the Department of Health does not actually know how money is spent on the whole convoluted process of bidding and tendering. PFIs are bleeding a lot of health areas and health economies dry. With as low an interest rate as any of us are likely to see in our lifetimes, is this not a time when some of the more expensive ones could be bought out? That is not my area of expertise, but there are these things digging away under the NHS that should be looked at.

The key way to release money is integration. I agree with Norman that social care and health need to go together. Part of that integration is not bidding and tendering and competing with each other; rather, it is working together.

The Chairman: Do you think the funding is adequate?

Dr Philippa Whitford: No, I do not think it is. Per head of population, we are still the cheapest health service where you get a comprehensive service and do not have to pay. We spend just over £2,000 per head in comparison to America, which spends twice that but 40% of the population are not covered at all and those who are have to find 20% of the cost. We get a good deal for what we pay but the question, as Norman was saying, is: what do we want and how much are we willing to pay for it? We then need to try to make sure that we are not undermining it with in-built inefficiencies of structure which mean that health economies are doomed because they are competing with each other instead of working together.

Norman Lamb: I agree that the funding settlement is wholly inadequate. Wherever you are on the political spectrum, it makes no sense to be projecting over a sustained period of time to spend a reducing percentage of our national income on health and care, which is what is happening. If we look at any of the analyses of the gap in funding by 2020, it gets worse from there on. There is not a moment in time when it is bad and it then gets better; it gets progressively more difficult.

Anita's organisation predicted a £6 billion gap in social care funding, some of which is made up by the council tax precept in a very unfair way, in my view, and some of it by the better care fund, but it comes late in

this Parliament. However, it still leaves a very substantial gap in social care, quite apart from the substantial gap in the NHS.

I am a believer in the tax-funded system but there is a difficult reality that we all have to confront and think about and that is that our tax-funded system does not appear to have kept pace with demand as well as other systems around Europe. I have not done a full analysis but it seems to me that where there is a premium paid in a social insurance system they appear to have kept pace with demand better than we have. That is an uncomfortable position for those of us who support a tax-funded system and we need to think about how we confront it.

I do not think there is any case for fundamentally moving away from a tax-funded system. As Philippa says, it appears to be quite an efficient way of spending money and delivering results. However, we have to confront this problem that Governments progressively have not been willing to increase tax to fund growing demand in health and care. That is why I think there needs to be some consideration given to the idea of hypothecation in some shape or form. To coin a phrase, I think there could be hard or soft hypothecation. That might be getting into dangerous territory, but psychologically it is quite important to have some independent assessment on a periodic basis of how much the health and care system needs in order to fund a proper, effective system. On top of that, if people could see on their pay packet that this is the amount they are paying for their health and care system, psychologically it becomes much easier to make the case to people to pay a little more, if necessary, to maintain funding for the system.

Jon Ashworth: There is not a huge amount of disagreement between me and my colleagues here. For me, the NHS is the fairest way of providing healthcare. It is arguably the most efficient. It certainly still has popular support and I believe there is no reason why it cannot be sustainable in the long term. Throughout its history it has had to deal with increasing demand and increasingly complex needs. The key thing we have to consider, which is why this Committee's work is so important, is where the NHS will be in the next 20 to 30 years.

Everyone in the NHS world at the moment is obsessed with the five-year forward view, quite understandably so. However, there are something like 200 weeks left of the five-year forward view. When you look at the demographics of society, with the ageing population, the number of over-75s by about 2040 will be approaching 10 million. As people become older and have increasingly complex needs, we need to have an understanding of how we fund the NHS to meet those demographic changes.

I see no reason why an NHS funded from general taxation cannot be continued and maintained in the country. The Labour Party would never countenance a system where we were asking people to be charged for seeing their GP or anything like that. We still believe that an NHS free at the point of use and funded from general taxation is an efficient way of providing healthcare.

Q294 **Lord Warner:** I am not going to make the obvious remark that we all want a red, white and blue hypothecated tax, but I will ask if each of you would separate out new funding streams for social care compared with health. They are already different as one is means-tested and one is not. Is there a political advantage in having a longer and stronger public debate and discussion about whether in the longer term we should take social care down a social insurance route? Would that make it politically easier, as has happened in Japan and as has happened in Germany, to maintain its buying power?

Norman Lamb: I think all these things should be up for discussion. That is why I called for this national debate—a public discussion that a cross-party commission could generate. I struggle to justify to myself the fact that a very wealthy person who has cancer has all their medical needs paid for but a person on very modest means in a semi in Salford suffering from dementia ends up losing everything. This is the basis of our 1948 settlement, yet it does not seem very fair. All of these things need to be up for discussion, including the proposition that you put forward.

The Chairman: Lord Lipsey wants to explore these issues in more detail.

Q295 **Lord Lipsey:** In the crisis we are in with social care at this moment, which has been very well highlighted by the *Times* series over the last couple of days, would you not all agree that what we need now is an injection of cash into social care?

Norman Lamb: I would totally agree.

Lord Lipsey: I have one supplementary question on this, particularly for you, Norman. I see the case for having a multi-party approach to this, but when we tried it in the last Parliament unfortunately it broke down because the Tories could not resist accusing Labour of imposing a death tax. How do you think it might be different next time around?

Norman Lamb: I went to see Peter Riddell when he was at the Institute for Government to talk about this because there are moments when you have to recognise that partisan politics is not coming up with solutions. The brutal truth is that none of the political parties at the last election had a solution for the long-term funding challenge of the health and care system. No party proposed any mechanism to increase funding for social care. I had taken the Dilnot proposals through into legislation which would have brought more money into the system. As far as I am concerned, it is tragic that it was abandoned, and rather cynically so, straight after the general election.

I do not begin to claim that it is easy but it is undeniable that partisan politics has failed. When you look at processes such as Adair Turner with the pension issue, it did break through. He managed to get all-party buy-in and came up with proposals that were then implemented. There are some historical precedents. I cannot sit here and name them all for you, but there are moments when you have to recognise that a different approach is needed to break the logjam. It is a long time since 1948 and the original Beveridge settlement; it is time we revisited it.

Lord Lipsey: More money now?

Norman Lamb: Yes, I totally agree with you. It is undeniable.

Dr Philippa Whitford: In Scotland we are working on 2030 at the moment. Vision 2020 was done in 2011 because it is like the Titanic, it takes an awful long time to introduce any change in structure or direction. Even working in five years with the five-year forward view, although it is an improvement on year by year, it is far too short. We have things around national insurance which start at an incredibly low threshold and hit people who do not pay tax, but once you retire, no matter how well off you are, you are not paying national insurance at a time when you are using services more. There may be something to be looked at in that: raise the threshold at the bottom but simply continue it. If you are doing very well in retirement, you would continue to pay national insurance. Some people will not pay any NI for 30 years, during which time they might be using an awful lot of services.

The Chairman: Before you come in, Norman, that is what Lord Warner was beginning to refer to about alternative models, on which Lord Lipsey asked his questions, about people who are retired but still earning quite a bit, à la Japanese- or German-style taxation system.

Norman Lamb: In the *Five Year Forward View* Simon Stevens raised the role of employers and how we engage them more in the well-being of their workforce to stop the flow of people into ill-health. I am chairing a commission on mental health in the West Midlands and we are hoping that we might be able to trial what we are calling a well-being premium, which would be a discount on your business rates in return for evidence-based interventions which we know work to reduce sickness absence, to reduce the flow of people out of work.

There is an interesting further question: is there a case for employers to make some sort of contribution towards the NHS and perhaps—an innovative idea—avoid having to make the contribution if they can demonstrate the interventions they are taking to improve the well-being of their workforce? Somehow we have to find mechanisms to get employers engaged. Some are very good but the majority do not fully engage in this. We could be achieving much more in terms of good, preventive care in that way.

Baroness Redfern: Jon mentioned looking at general taxation. Would that be a flat rate taxation and therefore are you giving up the idea of a mansion tax, which at one time was thought could support the NHS?

Jon Ashworth: I think the mansion tax is something that the Labour Party should continue.

Baroness Redfern: Would you continue with it?

Jon Ashworth: We would continue to explore that. Being honest with you, we are at the stage in the parliamentary cycle where we are looking at all these matters anew. If you were to invite the shadow Chancellor to

a future hearing, he could perhaps tell you what our taxation policy will be at the next election.

Baroness Redfern: That would be very interesting.

Jon Ashworth: It is an awkward moment in the cycle for the opposition spokesperson because if there is a general election in 2020, we are not going to outline our tax and spending plans in 2016. I appreciate that that may well be frustrating for the Committee but that is the position we are in. I strongly believe that the future of the NHS can and should be funded by general taxation.

On Lord Lipsey's point, I agree that social care needs an urgent cash injection. We were all surprised and astonished that there was nothing in the Autumn Statement. From my reading of the comments from Simon Stevens and others, I was expecting there to be an injection. Again, we are led to believe that there may well be something in this week's local government finance settlement, but I fear that just raising the council tax precept does not go anywhere near the requirement.

I am very happy to engage in a broader cross-party debate about the future funding of social care. You are absolutely right, the Labour Party has had its fingers burnt on this. We entered a set of discussions in good faith, we thought we were having very good discussions, but we walked out of the room and saw a big poster of a gravestone with "Labour's death tax" plastered all over it. We are very happy to engage in discussions but we are wary, given what has happened in the past.

Norman is right, of course, that Adair Turner's commission did arrive at a consensus on the future of pension provision. However, I think a broader consensus had developed beforehand on earnings being linked to the basic state pension. By that point we had cross-party support for that, the TUC had come out about it, various business organisations were calling for it, and influential voices in the media were calling for the earnings linking of the state pension. It is not clear to me, other than that we need to deal with social care, if there is a broader coalescence around one policy solution on social care yet.

Norman Lamb: I would agree with that, there is not a consensus here. We have not even started to have the discussion, but I do not think that is a reason not to have it.

The Chairman: Is there likely to be a political consensus?

Norman Lamb: I do not know whether it is achievable. I realise that there is a view in this Government about the need to reduce the percentage of GDP going in taxation, which creates a tension, but we need to have the discussion and we need to reach a national view about this. Unless we try, we will never know whether we can achieve agreement.

Q296 **Lord Warner:** Listening to this discussion between the three of you, it seems almost impossible to think that this Committee could say anything

very useful that would get you all around the table, particularly because of what Jon is saying about being at this point in the electoral cycle. What is starting to emerge for us as a Committee is that if the elected politicians and the NHS cannot solve the longer-term planning, why do we not have a kind of OBR-type independent body? That may stop the warring factions or at least it would try to develop some common ground on funding workforce investment strategies. If it was genuinely independent, it might actually get the warring factions into the room. I do not think that anything we say as a Joint Committee would get you all into the room for a discussion. What do you think about the alternatives?

Jon Ashworth: You are far too modest, Lord Warner. Given your background and influence as a former Health Minister and so on, we are all very much looking forward to what the Committee comes out with. I am very much attracted to the idea of an OBR-type body which gives periodic reports on the financial pressures on the NHS, what is needed and what are the workforce pressures, and offers a degree of objectivity in the planning which is slightly separate from the political knockabout that inevitably happens in the House of Commons. It is a very sensible idea and is something I would support. I would also encourage the OBR to be allowed to cost the policies on the manifestos of political parties ahead of a general election. One of the biggest controversies in the debate about the NHS finances at the moment is whether Labour was going to spend as much as the Tories and whether the Tories are spending £10 million. That is all very interesting but if we had had the OBR cost the political parties' manifestos we might have had more clarity on those figures at this stage of the Parliament.

Norman Lamb: I was trying to hint at support for an OBR process when I was talking about a hypothecated tax and an independent periodic assessment of how much you need to raise to spend on achieving an effective and efficient health and care system. In an age when trust in politics and politicians is at an all-time low, creating an independent process that gives people some sense of reassurance about the amount that we need to spend makes it much easier to make the case for increasing the amount people have to pay, if necessary, to fund the system.

The Chairman: Philippa, would you support an OBR?

Dr Philippa Whitford: I totally support the idea of an arm's-length body but you have to remember that the OBR only reports in, it just says, "This is what it will cost, you are on track, et cetera". We get reports on performance from the National Audit Office whereas really what you require is an arm's-length body that is part of the decision-making so that it does not become nailed down into the five-year cycles. You can never let go of it completely politically, but you can look at setting down what are the aims of an NHS, as Norman says, on an occasional cycle. The problem is that it comes right in here to the Floor of the Chamber and what we have is something that looks like Punch and Judy.

After my maiden speech, I thought of leaving the first debate I took part in because, having come a few weeks earlier from a hospital, I thought that if I were watching this on the television I would be totally depressed. They were not arguing about the NHS at all; it was Punch and Judy. It would need to be more than an OBR; it would need to be a decision-making body that is a bit more arm's-length.

Q297 **Lord Willis of Knaresborough:** I am incredibly frustrated, particularly so today, because I am looking at timetables. There are three years until the end of this Parliament and you are obviously not going to make any decisions at all on what your policy is even by then. There will be another five years before you can implement something else. By that time the whole system, given what we have heard in evidence, will be in utter and total chaos. Without political leadership there is no way forward. You promote the idea of having an arm's-length body that somehow will come up with solutions to solve political problems and, Philippa, you started by saying that at the end of the day these are political decisions. We heard from Mr Chote at the OBR last week in that these are political decisions. I put it to all three of you: where is the political leadership going to be within political parties to say that this has to be a new settlement? I do not see that.

Dr Philippa Whitford: I do not mean that there are no politics in it at all. What you are aiming to achieve, you have to decide politically. What is it we provide? It comes out of taxation. Of course that is a political decision. What is its priority in comparison to cutting inheritance tax or invading somebody or buying some new aircraft carriers? That is political.

Lord Willis of Knaresborough: Everyone who has come before this Committee from all sorts of organisations has been able to answer the question as to how they see the funding settlement as we move forward. We have three political leaders here and none of you has an idea.

Dr Philippa Whitford: I would disagree. Obviously, the health service that my party runs is not this one and looks utterly different from NHS England. We have had political leadership. In Scotland we abolished trusts in 2004; we no longer have primary care trusts. We now have integration—joint boards between local authority and health boards. We have place-based planning. We do not have tariffs; we do not have marketisation. That is for political leadership to decide.

Lord Willis of Knaresborough: So this is an England problem?

Dr Philippa Whitford: No. The demand and the lack of workforce is everywhere. The additional problem that has been created here of tying one arm behind your back concerns the money, effort and time that are wasted in bidding and tendering and tariffs and all sorts of perverse incentives within NHS England that are squandering it. When I became a doctor in 1982 we spent 5% of GDP on health. We had long waiting lists and we had old hospitals. If we had invested at that time to where we are going to end up, it would have been transformational. What did we do?

We have gone round and round reinventions of how we run the NHS—the different structures from health authorities to PCTs.

Lord Willis of Knaresborough: So you would have a total reorganisation, is that what you are talking about? We should go back to a single body that runs everything?

Dr Philippa Whitford: I would work back to a public NHS, yes. There is so much money being squandered in marketisation in the NHS.

Lord Willis of Knaresborough: We have an answer there. That is one way, a single organisation which is run from the top, telling everybody what to do.

Dr Philippa Whitford: I did not say run from the top. We set out our aims and it is helpful

Lord Willis of Knaresborough: If it is a single organisation it is run from the top.

Dr Philippa Whitford: It is still helpful.

The Chairman: I am going to try and control this a bit more. Norman and Jon, do you want to come into this conversation?

Norman Lamb: We put forward a submission in the run-up to the Autumn Statement. We made the case for a £4 billion injection into the NHS and the care system. We set out where that money should go and the fact that a significant element of it should be investing in the transformation.

The Chairman: The main question from Lord Willis, who will tell me if I am wrong, is to know whether before 2020 there is likely to be any statement from the political parties—Philippa said what the SNP did—as to their plans on funding healthcare.

Norman Lamb: Absolutely. Along with that I have set up an expert panel to advise my party, which will report within six months. It includes the former head of NHS England, the former head of the RCN and many other eminent people, together with two health economists, looking specifically at the case for a hypothecated health and care tax and the level of that tax that is needed to properly fund the system. We will come out with a policy next year, as soon as the panel has reported, to contribute to this debate. We are moving forward with it and are going to come up with a clear position on that.

Jon Ashworth: You speak of your frustration, but imagine my frustration as Labour shadow Health Secretary. Obviously, the Labour Party is going for a debate, a discussion and a policy-making process. I want us to be in a position where we go into the next general election with a clear policy on NHS funding.

Speaking in a personal sense, NHS spending rising by around 4% seems a reasonable yardstick to aim for. I am very proud that the previous Labour Government increased NHS spending to the European average and, although I appreciate that the calculation has slightly changed, that seems a reasonable long-term ambition for the next Labour Government to aim for. What I cannot do is guarantee to you here today that a Labour Party is going to spend x billion on the NHS and we are going to raise that money from this particular level of taxation or from this particular funding mechanism.

On social care, the academic evidence out there seems to suggest that there is a shortfall of about £2 billion at the moment. I would hope that the Government could find that £2 billion from somewhere. The Government are making a series of decisions about whether it is inheritance tax cuts or corporation tax cuts or capital gains tax cuts. The Government have found hundreds of millions in capital investment for new grammar schools, so I believe the Government can make a different set of choices at the moment to fund the shortfall in social care.

On the NHS more generally, given that it is going through this huge financial squeeze and that by 2018 head-for-head expenditure is going to be falling, I think that is a wrong set of choices for the Government to be making. I believe through general taxation we could fund the NHS properly. However, you will have to be a little more patient with regard to the specific figures.

Lord Kakkar: I would like to confirm that there is a consensus view that a lack of political consensus is doing real harm in terms of delivery of the NHS and being able to plan for the longer term. Would it be correct for this Committee to conclude that from what you have said and therefore try to establish a means by which that political consensus may be achieved?

Norman Lamb: I totally agree. There is a sense of complete inertia. We are sleepwalking towards the edge of the precipice. There is an urgency, therefore, about this and I think your suggested conclusion is the correct one.

Lord Kakkar: To build from that, would you agree that one of the real implications of a failure to achieve political consensus at this vital stage is the inability for us to empower and develop systems leaders to take any meaningful action? Even as we start to localise delivery, have STPs and so on, there is no certainty in anybody's minds that they can take a decision and do anything even in the medium term that can make an important contribution to more sustained delivery either now or in the longer term.

Dr Philippa Whitford: We are hearing back from leaders that the way the STPs are being done is backside forwards. I think they are the way we should be going—going back to place-based planning for a population. However, instead of it being quality, outcome and finance, finance is being put at the top, so they are being told, "Do not come here until you

can meet this number". That is not going to achieve the correct answer. The problem we have is that politicians are able to pull something out of the air, such as the seven-day NHS. What does the seven-day NHS mean? You will be able to see your GP from eight in the morning until eight at night, any day you want to turn up. Was that discussed with anybody in the real NHS world?

When we move towards an election time, people are doing soundbites around the NHS because it is so important to the public and we are not moving forward, looking at the reality. I think STPs could make a huge difference, but tariffs, where the hospital earns money only if it keeps people in and we want it to send people out, means that you are actually asking the chief executive of that hospital to cut the throat of his own business to make the STP work. We need to get rid of these structural perverse incentives to allow these local health economies to work together around the patient.

Lord Kakkar: Listening to that, it strikes me that there are two levels at which one needs to try and pursue the question of political consensus. There is the national debate and consensus in this Parliament and the other place with regard to debating these issues of funding and also more important structural questions. Then at the local level there is the need to have political consensus in taking the difficult local decisions that will allow for greater place-based care, transformation of care and the adopting of new practices. In the heat of local politics and the need for individuals to seek re-election, how can that level of local political consensus be achieved?

Dr Philippa Whitford: Obviously, we seeing the impact on public health. One of the greatest things we can try to achieve is health in all policies. We will debate different policies on different days; we will take votes that completely counteract what we said the day before because we are not thinking about the greater impact of housing, work, active transport, et cetera. Moving public health more into local government is good, but then you suddenly have evidence versus a council election in x months' time and you therefore have exactly the same issue that occurs here.

Norman Lamb: It is important to say that there will be some STPs around the country which deliver quite dynamic, interesting and worthwhile results. We must not dismiss the whole process but it is a flawed process. When you talk about how you achieve political consensus locally, the answer is not to have a process involving just leaders, excluding in many cases even non-executive directors of the trusts involved, and present to the local community what looks too much like a fait accompli. In my view, to take people with you, you have to involve them from the start.

There was an interesting process in Canada back in the 1990s when they faced a really tough budgetary position. They established a process which really engaged the public on the difficult choices that have to be made, the money that was available and how best to spend that money. Unless you do that from the start, people will not buy into it. Local people faced

with a proposal either to close or slim down their local hospital do not begin to understand, and neither should they, the complex judgments that have to be made about the best allocation of resources. They will simply resist. You will never achieve that consensus and politicians will then row behind that local community.

Baroness Redfern: Would you have prevention as your number one focus?

Dr Philippa Whitford: Where the NHS and social care are at the moment, I think social care probably has an immediacy about it that is more crisis-lined, but we have to be serious about public health going forward.

Lord Warner: So I am clear where you are on STPs, let us assume there is a wonderful world in which everybody is consulted about everything on STPs, where do you three stand on the whole issue of a Health Secretary having the final say on whether a major department or whatever should be taken out of an acute hospital? Are you advocating that if there is a good process then the local people decide and the elected politicians will not interfere? I say that having sat in rooms with large numbers of MPs coming to lobby me about their acute hospitals. Are you offering an end to that process, provided there is a decent STP process?

Norman Lamb: I am minded to agree with that proposition. In the Department of Health I saw the most ridiculous level of micromanagement; for example, every Monday morning in the Secretary of State's room, looking at every hospital in the country and its performance against access standards, and reports back on why a particular hospital is not performing up to the required standard. Ultimately, that approach is unsustainable. People at the local level are disempowered and it drives everyone crazy. As is implied by the Manchester approach, you need to give more power to localities to determine how best to spend the money that is available.

Jon Ashworth: That is a very good question. My instinct is that politicians and the Executive are responsible for allocating money and ultimately, therefore, have to be held to account. You are quite right, unless you have built around that some very clear guidance and infrastructure, you could have politicians making the most politically expedient decisions to help such-and-such an MP defend their marginal seat, with the opponent saying, "Close the hospital".

On the STP issue, the Labour Party is not opposed to the principle of STPs—the idea of trying to work around what is now a fragmented system to build more collaboration into the process; indeed, to plan in a local area. We think it is significant that the STP has the word "plan" in its title. That is something that the Labour Party has been very much in favour of for many years. A more strategic hand in the design of local healthcare is something we would support but we would want to test all these STPs by a number of yardsticks: are they genuinely jointly owned with local authorities? Have local people really been consulted and are

part of the decisions? Do they solve social care issues in the locality? Do they provide decent mental health services? Do they deal with the ageing population in the locality? These are the tests that we would be applying to individual STPs.

More broadly, my worry is that what started as an important approach to work round the Health and Social Care Act is increasingly about filling the financial gaps in the system. That is something we are deeply concerned about.

Lord Kakkar: Do you think that the devolution approach in Manchester is going to change the way that general elections will be fought there with regard to health?

The Chairman: Yes or no?

Norman Lamb: Maybe. It is hard to judge but it may do that.

Jon Ashworth: I am not sure, really. Without wishing to get too party-political, there is somebody in the Committee who perhaps lost their seat in the Commons because of the campaign about the local hospital from their political opponents. I suspect political parties, whether we like it or not, will still run those types of campaigns and I suspect, sadly, that they will still influence voters.

Dr Philippa Whitford: I do not think we have ever had the conversation with the public about how health has changed. The big boxy ambulance has everything in it that was in a casualty department when I graduated and therefore they still think it is all about buildings, but you cannot shut hospitals or bits of hospitals until you have built up the community service that you think is where people should be. The problem with the STPs at the moment is that they are going to slash things in hospital to then provide the budget. That means you are going to have a gap of a couple of years of wondering what is going to happen to people. You still need to bring back transformation money to develop your community service first.

Q298 **Bishop of Carlisle:** Philippa, you were getting into your stride earlier on about public health and prevention. I would like to come back to that, if I may. The three of you have made comments in the past about how important it is and all the witnesses we have seen have said it is vital to the long-term sustainability of the NHS. I am not asking you whether you think it is important, as I know you do, but how are we going to give it that priority in the future? Do you think the kind of body Lord Warner was referring to might have some part to play in doing so? If not, how can we reorganise things in such a way that it is taken seriously? Governments do not seem to have done enough on this in the past.

Dr Philippa Whitford: Again, I would take a punt for health in all policies. In my line of work as a breast cancer surgeon looking after people at end of life, it is remarkable how little is important at the end of life. Your health, your well-being and the people you love are all there is, yet they always get parked in exchange for something else when we are

debating here. If we have the health and well-being— meaning physical and mental well-being—of our citizens as something we measure every policy against, whether it is here or whether it is local government, you can imagine the direction it would send you to: what would your town centre look like? Would it be for car parking or would it be for active transport, walking and meeting people and cycling? Exactly what would we be focusing on? As I say, in the Chamber we will have a debate about needing to protect women from violence and support them and the next day we will vote on housing benefit that is going to be cut and is not going to support the long-term sustainability of women's aid and shelters and so on. We talk about it but we are not serious about it.

In handing over public health to local government, which I think had a lot of advantages, although there were a few odd things about losing access to NHS data, it was cut at the same time. You cannot enact a big change and cut at the same time. Change itself always takes time and money. We need to have that public health voice at the table saying, "This is not how we should design our roads. That is not what our schools should look like. We need to get serious now for the coming generation".

Norman Lamb: I think you have to have a pooled budget. We have to move away from this awful silo mentality. Within that pooled budget you have to have incentives that are aligned to achieve prevention, as Baroness Redfern was mentioning. At the moment the incentives are all over the place. We incentivise activity in acute hospitals, as Philippa was saying, but not in other parts of the system. However much we talk about prevention, too often preventive services are cut in order to prop up acute hospitals. If you have a pooled budget in a locality it is much easier to ensure that within that locality the focus is on prevention. I heard a fantastic talk by Dr Arthur Evans, who heads up mental health in Philadelphia. There they have mapped the whole city, identifying those parts of the city where children suffer multiple traumatic events in childhood. We know that that leads to awful consequences for their life chances, health, employability and all the rest. They are intervening right at the start to ensure that those children are given support to prevent the problems ever becoming entrenched. That sort of inspired thinking has to start to work in this country.

Finally, we need to do much more to build up the economic case for prevention. The LSE has done some very interesting work. To take the example of early intervention in psychosis, we know that if you invest £1 in early intervention services you get a return of £15 over a 10-year period, so why are the Government not doing it for goodness' sake? If we can build an economic case to seek to convince the Treasury of the value of investing in prevention, we may start to get somewhere.

The Chairman: You referred to mental health quite a bit. Lord Bradley, do you want to ask your question?

Q299 **Lord Bradley:** Pursuing mental health a little further, each of your parties has made very strong pledges around mental health. The *Five Year Forward View* identified the economic costs of not tackling mental

health as being over £100 billion—the full cost of the NHS. What are the issues that are affecting the delivery of mental health services in the long-term sustainability of health and social care? What is your assessment of the progress that has been made so far on the delivery of mental health services, moving towards parity of esteem, where still about 80% goes to physical health but merely 15% to mental health? Can you comment on the integration of physical and mental health as part of that long-term sustainability?

Norman Lamb: I very much agree with that last point that we manage spectacularly to neglect the physical health needs of people with mental ill-health so that they end up dying as many as 15 years earlier than other people. However, we also neglect the psychological needs of people with chronic physical health problems. Somehow we have to bring this together so we treat people holistically. There is an issue about the under-resourcing of mental health services; there is a basic injustice, in my view, that people with mental ill-health do not have the same access to evidence-based treatment as others do. How can you possibly justify having maximum waiting time standards across all of physical health and not in mental health? It is a discrimination that has to be ended. There is a massive economic cost to that as well as the moral imperative for ensuring that people get treated equally. Along with the need for more investment in improving access and improving prevention of mental ill-health in the ways I have talked about, we need to spend the money more effectively.

We spend far too much money on containing people, sometimes in institutions, without any real ambition for their improvement. We allow people to drift into the criminal justice system. It was an enormous pleasure to work with you in your work on liaison and diversion; this country is leading the way on such programmes. However, we have to shift resources from containment to prevention and recovery. In Sheffield, where Tim Kendall (who is now National Clinical Director for Mental health) was Medical Director, they managed to repatriate everybody who had been in out-of-area placements and managed to reduce the long length of stay, which is generally not therapeutic for people. They managed, therefore, to close beds and invest the money they had saved in supporting people at home and stopping crises occurring in the first place. I think that is inspired and is the sort of approach we need to apply across the system—more money but spend it better.

Jon Ashworth: I entirely agree with Norman, who has done much work on this both in government and out of government. Mental health has not had the resource priority it deserved for many, many years under successive Governments. It has not had the political priority either. If you think back to general election campaigns, whether at a local level or a national level, there are plenty of campaigns about saving hospitals, saving A&E, saving the walk-in centre or, at a national level, politicians squabbling in the national media about the NHS. Whether that is "Jennifer's Ear" in 1992 or "24 Hours to Save the NHS", or whatever

slogans the political parties come up with, hardly ever has mental health featured in that electioneering. That tells you something about the political priority that politicians of different parties in successive Governments have given mental health. Finally, there is a broader acceptance now in society that we have not given mental health the priority it deserves and I think attitudes are changing.

May I say something quickly on public health and prevention more broadly as I did not have the opportunity a few moments ago?

The Chairman: Yes, please.

Jon Ashworth: When we are talking about the sustainability of the NHS, it is correct that we focus on the finances, it is correct that we focus on workforce issues, but we have to think about how we put rocket boosters, if you like, under the prevention agenda. We are still smoking too much, drinking too much and eating the wrong foods too often. The understanding of diabetes in my own Leicester constituency is very widespread because of the demographics of Leicester, which I am sure you will all appreciate. However, I do not think that society more generally has woken up to how devastating diabetes has been, in the same way in which over 20 or 30 years we have come to understand the implications of smoking too much and drinking too much. That is why the obesity strategy from a few weeks ago was disappointing; I think it was watered down and we could be doing a lot more on the advertising of sugary foods. It is right that we have restrictions on the foods which appear on children's television and so on. I have young children. On a Saturday night I let them watch "The X Factor". As we are running up to Christmas I will let them stay up until about 8 pm and watch other shows on ITV. Literally tens of thousands of calories, probably hundreds of thousands of calories, will be advertised between now and Christmas on ITV at 8 pm which children will be watching. When they are watching it they say, "Dad, can I go to McDonald's? Can we get this? Can we get that?". Unless we are bold and more radical on advertising, I do not think we are going to solve the obesity crisis which is costing the economy tens of billions at the moment.

Baroness Redfern: When we are talking about obesity it is all about working with families. We can have any number of promotions, but it is about working with those families because it is a generational issue. Some focus should be put on that. People say that you cannot measure prevention, but I think you can because the stats will eventually come round. If the focus is on prevention, it is worth doing.

Dr Philippa Whitford: There is a very simple thing that has caught on in Scotland, called the Daily Mile, started by a primary school in Sterling where a teacher just took the pupils out and ran them around a field, and they behaved better. We talk about prevention for physical health; we talk almost not at all about prevention for mental health. We see the Change4Life adverts on the television, whether we follow them or not, but how do you look after your mental health? Do we know? Has someone told us? We need to get the preventative agenda into mental

health for children and adults. We also come back to integration, we need to be holistic.

The Chairman: I am going to ask Lady Blackstone to move to the last question.

Q300 **Baroness Blackstone:** What is your single key suggestion for change that the Committee ought to recommend to support the sustainability of the NHS?

The Chairman: Very briefly. The Secretary of State behind you is listening.

Dr Philippa Whitford: I have tried to ask what the cost of the mechanisms of marketisation are but it is not collected centrally and it is not known. There is no evidence of any benefit, which means we have no cost-benefit analysis. There are estimates which reckon that it is somewhere between £5 billion and £10 billion. That would be a good head start to transformation.

Norman Lamb: A fundamental shift towards prevention and ensuring that the incentives drive behaviour in that direction.

Jon Ashworth: I totally agree about prevention, but when push comes to shove it needs money and you have to put the money into it. I appreciate that is the whole point of this Committee, but it needs more money. It is as simple as that. I am sure Jeremey will get it from the Chancellor.

The Chairman: Thank you all very much. I know how busy you are and it is very kind of you to find the time.