

Health Committee

Oral evidence: The Work of the Secretary of State, HC 523

Tuesday 23 January 2018

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Members present: Dr Sarah Wollaston (Chair); Mr Ben Bradshaw; Dr Lisa Cameron; Diana Johnson; Johnny Mercer; Andrew Selous; Dr Paul Williams.

Questions 150 - 186

Witness

I: Rt Hon Jeremy Hunt, Secretary of State for Health and Social Care.

Examination of witness

Witness: Rt Hon Jeremy Hunt.

Q150 Chair: There are two broad areas we would like to cover with you, Secretary of State, if that is possible. The first is the change in name of your Department and also a follow-up point from the letter you kindly sent me yesterday, which we have now been able to publish so that people can have the context of what we will be discussing.

First, there is great interest in the change of name in the Department and in your role, and congratulations for staying in the role. The key question here is whether it is going to mean just a change in the stationery and the name above the door, or is it going to signify a meaningful change in the way business is done, and, crucially, around funding for a whole-system approach? Can you give us your thoughts on this first?

Jeremy Hunt: The answer is that changing the name of a Department does not address the issues of funding and health and social care integration on the ground in Totnes, or wherever, in the country. So, I do not think we should overstate what that change was, but symbolism does matter in politics. This is the first time in this country that we have a Secretary of State who has social care in their job title, in their description. I think that is important, and I think it indicates that the Prime Minister—because those decisions are made uniquely by the Prime Minister—attaches a lot of importance to addressing the pressures in social care. Although, as a political party, we had setbacks in the election that may well have been linked to attempts to reform social care, I think even Theresa May's detractors would concede that this is an issue she cares about very deeply and has been trying very hard to address during her time as Prime Minister.

Q151 Chair: Does it signify any change at all to the way moneys flow within the system?

Jeremy Hunt: No, it does not, except that it means that I am the Secretary of State responsible for the social care Green Paper, which was a very important piece of cross-Government work, and part of that cross-Government work is looking at all the financial issues around social care. The strategic reforms, which I think we all accept on all sides of the political spectrum, that need to be made to the social care system to make it sustainable going forward and help deal with pressures are now my Department's responsibility to think through.

Q152 Chair: Very well. A lot of colleagues want to come in. I would just say, though, that it used to be called the DHSS, so there was social security in there.

Jeremy Hunt: I think social security is different from social care.

Chair: Maybe. I do not want to hog all the questions, and lots of colleagues are catching my eye. We will start with Andrew and then Paul.



Q153 Andrew Selous: In terms of this change, it is very good news to hear that you are in charge of the Green Paper coming forward. A number of us across the House think we have identified a solution perhaps along the lines of what happens in Germany and are acutely conscious of the impact of delayed transfers of care on the NHS now. There is, I think, a degree of urgency to this issue because it would help you enormously in the health area of your brief if we could deal with those delayed transfers of care, but what I have not quite detected so far is a real sense of urgency and impetus to try to drive through some of this change, some more sustainable funding, some better ways of doing things in the short term, as in my view the situation really is pretty urgent.

Jeremy Hunt: That is a very fair question to ask. The truth is that there are two sets of reforms that we need to consider. The first is the longer-term funding changes, which, put very simply, are that most people save for their pensions, but people do not tend to save for the social care provision they need. It is very hard to find a way to do that, but we need to address it because it is random; many people have no social care costs and others will have hugely expensive social care costs when they are older. That is one set of slightly more medium to long-term issues.

Then there are the short-term funding pressures in the sector that had its budget cut following the financial crisis of 2008. That budget has now started to rise slowly, but it is still not at the levels that it was at before. The sector is under very sustained pressure, and we have to find a solution to those short-term pressures as well as part of this process. That is going to take some time to work through because the national financial situation is extremely tight, but both of those are going to be in our thinking.

Q154 Dr Williams: You mentioned the social care Green Paper and you also mentioned in the House of Commons last week—and you mentioned it today as well—the need for a 10-year plan for the NHS. Why not bring the two together?

Jeremy Hunt: There are some very strong arguments. I do need to stress that I did say in the House of Commons that it was my own view that we should think about it. It is obviously ultimately a decision for the Chancellor and the Prime Minister as to how long the funding envelope is for any public service, but that was just my view. I would absolutely welcome health and social care being considered together because I think they are interrelated, but again I have to look at both sectors. Now that it is one Secretary of State who is responsible for both of them, that is obviously a question that is under active consideration.

Q155 Dr Williams: You would consider a Green Paper on health and social care together.

Jeremy Hunt: I would not go so far as to say that, but it does not make sense to try to look at funding in one sector and not in the other, because they are so closely related. Even if they remain separate processes,



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which may well be the case because they are currently separate processes, you have to accept that there is connectivity between the two.

- Q156 **Dr Williams:** Obviously, the funding is very separate. I am sure you are aware of the cross-party offer from a letter signed by 90 MPs, including some sitting around this table, I am sure, to try to help the Government to try to take some of the heat out of some of the difficult conversations, particularly around social care funding in the future.

Jeremy Hunt: Having been accused myself earlier this afternoon of being sometimes over-optimistic, I have to say it is over-optimistic to think we will ever be able to take the political heat out of the issues around health and social care, because they are so important to voters—the single most important issue on most people’s minds—and it is unlikely and unrealistic to expect, for example, the principal Opposition not to want to campaign hard on those issues. But I do not think that should preclude us having a sensible discussion with people on all sides of the House about the way forward and I am always happy to listen to colleagues’ views from all sides of the House on what the future of health and social care should be.

- Q157 **Dr Williams:** My final question was going to be about your views on social care funding. Do you have a view on whether, in the future, the costs of social care should be borne by the individual who incurs those costs or whether there should be some kind of risk pooling in a similar way to the way in which we fund the NHS?

Jeremy Hunt: We currently have a mixture of both. It is less, I guess, about risk pooling by type of illness and more about risk pooling by income. I think we will continue to have a mixed economy, but I do think that the risk-pooling part of the social care system does not work very well at the moment; it is very random. If you get dementia, for example, you can end up losing absolutely everything because there is a reasonably high chance you will end up in a care home, and then you can end up being cleaned out, which would not happen if you had a different type of illness. That is really why we need to have this review, because there is an unfairness in the way the system has evolved over the years.

- Q158 **Mr Bradshaw:** It was reported in the run-up to today’s momentous Cabinet meeting that you were supportive of the Foreign Secretary’s call for an extra £100 billion a week for the NHS. How did that go?

Jeremy Hunt: I do not think any Health Secretary is ever going to not support potential extra resources for his or her Department. Obviously, you will understand, being a former Cabinet Minister, that I cannot tell you about the precise contents of a Cabinet discussion—

- Q159 **Mr Bradshaw:** Did it not feel rather odd, though, that you are the Health Secretary and it was the Foreign Secretary who was making these comments public and getting his people to brief them out for two days running?



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Jeremy Hunt: As I say, I am not going to comment about what happened in the Cabinet meeting, but let us say that there is a Brexit debate and there is an NHS debate, and just occasionally those two debates come together.

Q160 **Mr Bradshaw:** Where was this money going to come from—this £100 million? As we have heard from the evidence earlier, there is not going to be any money flowing in from next March, so where on earth is this money going to come from?

Jeremy Hunt: That is a question that you have to ask the Foreign Secretary.

Mr Bradshaw: Indeed.

Q161 **Chair:** Can I take you back? It is all music to my ears to hear you say it does not make sense to consider health and social care systems and funding separately, and I think there is widespread agreement with that. Almost every review that looks at this comes to the same conclusion—that they are umbilically linked and we need to consider them together—and yet we are going to have a Green Paper that even looks at a small area of social care; it just looks at social care for older adults rather than the whole system of social care, let alone trying to bring in the NHS and public health, as many people would like to see happen. Are you making the case that we actually broaden this out to a whole-system funding review?

Jeremy Hunt: The furthest that I can go this afternoon is to say that it does not make sense to consider funding for one part of the health and care system without looking at the impact and implications for other parts of the health and social care system. My own view is exactly the same as yours—that they are linked umbilically and what happens in one sector has a direct impact on what happens in another.

It won't be news to this Committee because I have said so publicly on a number of occasions before, but as we come to the end of the five year forward view, which we should remember was published in 2014—so, 2020 gets us to the end of that period—as we move into another spending review round, I do think that there is going to be a discussion about NHS funding. We have to think about these two things together, because, if we don't, we will end up with a situation whereby problems in one sector end up creating funding problems in another sector. I have a great deal of sympathy with that view.

Q162 **Chair:** Just to reflect further on your point about being over-optimistic about the role of cross-party working on this, we do have models for this kind of thing. For example, the banking commission was set up; you can have a special Select Committee of the House that brings in experts from outside and Members from across political parties, which includes the House of Lords. Do you think that there is a role for that kind of process for looking at this? We have had endless commissions looking at the



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different options. We have had the Barker commission in the House of Lords. What we now need to do is to move on and make some decisions involving experts and people from across the political parties. Surely, that is a way in which you can help to get something across the line. In a hung Parliament, of course, there is a huge challenge in getting difficult decisions across the line.

Mr Jeremy Hunt: There are lots of different ways in which Governments can come to decisions. I have expressed the personal view that we should try to be longer term when it comes to health and social care funding because of the workforce constraints when one is trying to expand capacity. Obviously, with any decision that is made in that respect, if you are going to go beyond the confines of one Parliament, it makes sense to have open channels to people from other parties. All that I would say is that it is unlikely that you would take the political heat out of the issues because, in reality, that is always going to end up being a big part of political campaigning.

Chair: Yes, of course—the political heat will remain, but actually getting things through Parliament in a hung Parliament is very challenging, isn't it? Diana wants to come in.

Q163 **Diana Johnson:** I just wanted to go back to the original question, which was about your new role. I am not quite clear. The existing Secretary of State for Housing, Communities and Local Government retains responsibility for local government, which provides social care. Are you saying that, in your role, you are looking more to the horizon around strategy? Is that what you are saying—that you are not actually going to be responsible for the delivery of social care now?

Mr Jeremy Hunt: I do consider that I am responsible for the delivery of social care, but the funding mechanism will continue to flow through the Ministry of Housing, Communities and Local Government, through the local government settlement. We have a very close working relationship between our two Departments. We both recognise the centrality of social care to what local government does. I do not think the fact that that is the way the funds flow is any impediment to the ability to come to a cross-Government agreement about big reforms to social care, which I think we all know are necessary.

Q164 **Diana Johnson:** Okay. I think that is quite confusing.

Mr Jeremy Hunt: I am sorry—I try my best.

Diana Johnson: No, no. I can understand where you got this name, but what does it actually mean? That is what I am struggling with.

Q165 **Chair:** Will there be any change in the way in which the work is done? We accept that you want to put more of an emphasis on social care within your role as well, but will anything else change, practically?

Mr Jeremy Hunt: What I hope will change is that we will have some substantive, important reforms to social care. What I suppose I am



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saying is that I do not think that it in any way impedes that if the funding flow goes through the Ministry of Housing, Communities and Local Government, because the issue is not the way the funds flow to local authorities, which are responsible for social care. The issue is the quantum of funds, where those funds come from and who takes responsibility for what bits. That is the bit where the thinking is going on at the moment.

Chair: Thank you.

Q166 **Dr Cameron:** Thank you. This is a question about NHS procurement—I was at a meeting where it was being discussed—and the streamlining of it to try to make sure that there are not hundreds of suppliers but there are enough suppliers to make it sustainable. One of the interesting issues that was flagged up was from a small, local company, which said that if you are streamlining procurement you might save some money. It might go to a bigger company, which would be a win for health, in a sense; but then they would have to make everybody unemployed in their business, and DWP would then have an extra £1 million on its bills, so it is a loss for another Department. To what extent, given the situation of Brexit, do you have to collaborate and think about the knock-on effects of each policy decision for other Departments?

Mr Jeremy Hunt: The first thing I should say is that, in terms of centralising procurement and reducing the range of products that hospitals in particular can choose from, we are very much following in Scottish footsteps. This is something that the Scottish NHS did some time ago and, I think, very successfully. But you are absolutely right to say that we need to make sure that we continue to have space for smaller companies; it can be very difficult for smaller companies sometimes to bid for any public sector contracts. We absolutely do want to foster innovation, so we need to be very careful as we make those changes that that is not the unintended consequence of what happens.

It is really important, in terms of demonstrating to taxpayers that we are getting best value for money from every pound that they put into the NHS, that we do not have a situation where, for example, for surgical gloves one hospital is paying 50p and next door they are paying £1.27. We still see a lot of that happening, although it is beginning now to change. It is really important that we sort this out.

Chair: Thank you. Johnny and Andrew want to come in.

Q167 **Andrew Selous:** Without wanting to pre-empt the Green Paper, there are now three parliamentary Select Committees—the Health Committee, the local government Committee in the Commons and the Lords Committee on the financial sustainability of health and social care—which have all pointed to Germany and its funding system of social care, which I believe was set up in 1994, so we are 24 years on. My understanding is that it seems to have bedded down well; there is a similar scheme in Japan. I understand the process of government and all the work that will



have to go on for the Green Paper, but can you make any comment or reflections on your observations on the German system and the stability and quality of care that it appears to give?

Mr Jeremy Hunt: I think there are many things that we can learn from many other countries. The German system is a very interesting one, when it comes to social care. I think that what they have done in Japan is also very interesting. We can also reflect on what happens in Italy and Spain, which appear to spend less than us on social care but actually have less of a problem—and there appear to be some societal reasons why that happens.

To do this properly, we need to look at models from all over the world and learn from the progress that has been made, although I think it is also fair to say that I do not think that anyone has really cracked this to their own satisfaction. I still think that everyone is wrestling with this huge challenge of the growth in older people. But we are absolutely open-minded in looking at the models in other countries.

Q168 **Johnny Mercer:** You have outlined very clearly the challenges in adult and older people. You have said that reform is needed and that a whole-system approach is needed. Those are the sorts of things that I can recognise, being outside the system. You have done this job for four or five years now. What are the options available to us? I do not mean the ones you would favour. I accept that you cannot say what you would like to happen outside the channels, but what sorts of things are officials thinking about? What options are on the table for meeting these challenges?

Mr Jeremy Hunt: Well, that is a broad question. In my time as Health Secretary, I have particularly become very conscious that you cannot think of money and workforce as separate issues. That is something that suggests that you need to take a longer-term approach than we have traditionally taken in this country. I am just going to say a few random things, but I won't pretend that this is a comprehensive response to your question.

The second thing is that you have to jealously guard the founding values of the NHS, which I think everyone holds very close to their hearts in this country. But those founding values, from the Labour Government in 1948, for which they deserve great credit, but with cross-party support when it was set up, were about universality. We were the first country in the world to set up a universal healthcare system. But central to universality is not just access but quality. That promise was not just of access to any old healthcare for anyone; it was of access to high-quality healthcare. High standards of care have to be at the heart of what we commit to.

Then I think we also have to look at how we need to change the model of care in response to older people with more chronic conditions, and the move to more care in the community and prevention rather than cure in



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public health—and this is where I think the NHS is really doing some world-beating work. You have to bring all those things together.

I would say that at the moment in the NHS there is quite a lot of consensus about the model of care, the move to integrated care, health and social care systems, prevention not cure, and, in England's case, what we call the five year forward view. I think that there is quite a lot of consensus around the importance of safety and quality alongside access. But I think we all recognise that we have some very tough choices to make over the next decade, as we deal with the huge increase in demand.

Q169 Johnny Mercer: Yes. The elephant in the room that no one is talking about is money. Of course, it is not all about money—it is about all those things you talked about as well. But, if you were to identify a single lubricant to that system that requires change it would be a significant change in investment.

Mr Jeremy Hunt: Let me put it this way. I am not sure, reading any paper on any day of the week, that you could describe that as the elephant in the room that no one is talking about, because it is fairly commonly talked about. From the Government's point of view, we absolutely recognise that, as we come to the end of this spending review and the end of the five year forward view, we have to take some very important decisions about long-term funding.

Johnny Mercer: Thank you.

Q170 Dr Williams: You mentioned in your answer to Lisa about getting value for money in the NHS. Does that include supporting NHS trusts to set up wholly-owned subsidiaries that reduce their VAT payments, taking staff off the NHS books, potentially reducing their terms and conditions and reducing their pension?

Mr Jeremy Hunt: It is difficult to comment on those examples in generality, but I would say that, providing it is within the law, it is standard practice for many large organisations to have subsidiary companies. When you look at what happened with Carillion, I think we all need to ask ourselves if there are lessons that can be learned about outsourcing. But I am not someone who is against outsourcing in principle, because it can be a way that you bring in innovation in services, which can be beneficial both to patients and to staff working. It is a question of how you do these things rather than an overall thing.

Q171 Chair: Can I take you back? You just mentioned public health and prevention, and you also referred earlier to the workforce. Does it concern you that there have been shifts from the budgets for Health Education England and public health into the NHS England budget, which means effectively that we have taken money out of those two key areas? Is that something that you are intending to reverse?



Mr Jeremy Hunt: Well, this is something that I know has been a regular concern raised by the Select Committee. I completely understand your concerns, but I look at it slightly differently. The way I look at it is that every part of the NHS family has had to make huge efficiency savings to deal with the financial pressures that we have had since 2008. In the case of public health and Health Education England, there have been some cuts to their budgets, but in the case of the NHS, although it has not manifested itself as a cut, there has been an increase much smaller than the increase in demand for its services. So, everywhere has had to make those efficiency savings.

We need to keep monitoring them very carefully. With public health, the key thing that we need to keep looking at is outcomes and what is happening to outcomes. At the moment, although I do not want to make predictions, the key public health indicators are still going in the right direction most of the time. But we need to keep a very careful eye on them.

Q172 **Chair:** Do you think there is an appreciation in No. 10 of the scale to which funding has not kept pace with the increase in demand, let alone compared with the historical average? We are running at a just over 1% annual increase versus a long-term average of 4%. So, not only is it historically lower than it has been but also, in comparison with the scale of the increase in demand, because of demographic changes, the gap is ever widening. Do you think that that is understood?

Mr Jeremy Hunt: Yes, I do. Perhaps the evidence for that is that a significant amount of extra funding was found for the NHS in the Budget that we have just had, even though that was outside the spending review settlement. Normally, the Treasury is extremely territorial about finding extra money for Government Departments when it is not part of a spending review settlement. The Treasury will say, "You signed up to this settlement"—but actually it did find extra resource. So, I think it does understand that point.

Q173 **Chair:** Yes, because it is often presented in terms of being a bottomless pit rather than seeing it for what it should be—a cause for great national pride that we invest in health. Is that an argument that you think you are winning?

Mr Jeremy Hunt: In fairness, I think that the Government do completely understand the pressures that the NHS is under. The Government also have a responsibility, and I have a responsibility, to make sure that every pound we spend is spent well. Hand on heart, I think we can still point to significant areas of waste in the NHS budget today, which we continue to try to tackle. For example, there is the money that we spend on agency nurses, which we are succeeding in bringing down, but it is still too high. The two really go together. The better we are at persuading people and showing them that we have big programmes in place, which I know you have looked at in the Committee—things like the Carter programme and some of the estates programmes—the stronger our case.



Q174 Chair: Thank you for that. I know time is very short, so can I just move on? Thank you for responding very quickly to my letter to you around ACOs. This Committee is concerned that there is a great deal of anxiety out there that this is going to be a mechanism for privatising the NHS, and it is our intention to allow people to put those concerns to us but also to hear about the potential opportunities around accountable care systems, partnerships and organisations. It would help if we did not have so much acronym spaghetti around this area.

In my letter, the Committee asked you whether you would suspend the new contract regulations to allow a proper airing of the concerns as well as the potential advantages of these systems. Thank you for your response, but I was not altogether clear, because you said that you were considering it in light of the timing of the Committee's inquiry, whether that was a yes, a no or a maybe, really. Could you clarify whether you are going to hold off bringing those regulations forward so that we can look at this issue and hear the concerns?

Mr Jeremy Hunt: First of all, let me absolutely reassure the Committee that the ACO contract is not a vehicle for privatisation of the NHS or any increased involvement of the private sector. That is not what is planned. In fact, as people such as Chris Ham of the King's Fund have very powerfully argued, it is probably, if anything, going in the opposite direction. What we are trying to do is to integrate the myriad different bodies involved in the delivery of health and social care to our constituents, to enable them to receive a joined-up service where they are not pushed from pillar to post by different bodies. What we want to do is to allow the joining up of the commissioning of care. It is really about integrated health and social care; that is the purpose behind it.

I would point out that I do not think that privatisation is the same as outsourcing, but sometimes, in the way the phrase is used, people talk about outsourcing as a kind of privatisation. The total amount of NHS funds that are spent with the independent and private sectors has gone up from 4.9% to 7.7% since 2010, which is not a huge increase. In the last year, I think that it went up by only 0.1%. What we have done is to give the decisions about how NHS funding is spent to local commissioners, who are led by clinicians; it has been taken out of the hands of politicians. I know that you know this, Chair, but I wanted to put it on the record.

Q175 Chair: I think the concern expressed is whether or not accountable care organisations, as distinct from systems and partnerships—so, when they become a formally merged organisation—could then be led by a private-sector company. I know that you are asked regularly whether that is something you are going to say can't happen. You set out in your letter some of the complications around that, but that is the clear concern that is being expressed.

Mr Jeremy Hunt: I do want to answer your question specifically about the regulations. First of all, it is not the intention of the regulations to



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make it easier or harder for private companies to be involved in the NHS. We are simply trying to make it easier for people to integrate services. In some specific cases, people want to bring together the contractual arrangements. Following your letter and the discussion that we had about this, I have looked into this, and we are not sure that we are able to specify by law which type of company bids for NHS contracts. We legally have to be impartial on that.

On the timing of the regulations, that is a difficult one to change, because it is really up to the Whips, and it is about—

Q176 **Chair:** Yes, but the Whips are not doing this on their own. They are being asked to do it by Government. I am sorry—we can't blame it on the Whips.

Mr Jeremy Hunt: No, no. If I may, let me just finish my point. It is to do with other regulations. Another clear steer that we are being given is that Brexit regulations are going to take up pretty much all parliamentary time when it comes to secondary legislation, which I can see delights one member of your Committee from the noises from a sedentary position. But what I hope will reassure the Committee, and I think could work very well with your own inquiry into this, is that NHS England has said this week that it will have a full public consultation into the new ACO contract.

Q177 **Chair:** Yes, but once the regulations are there, they are there. What we would like, if possible, for you to do is to say that this is a matter of such public interest that you will suspend it while we consider it. That would also give you and your Department more time to consider some of the concerns that are already being raised. To be fair, I do not think that it is reasonable to say that it has to be done right now because there are lots of Brexit things coming down the track. I think that there would be great value in us seriously considering the concerns raised—particularly as you have said that it is not really your intention for it to be taken over by private companies. The concern is that it would make it possible.

Mr Jeremy Hunt: I understand that is the request. What I hope is that your inquiry as a Committee will feed into the NHS England consultation so that it can take full account of what you say. As I say, I will look at the parliamentary timetable. But what I do not want to do, if we have some very important steps forward in terms of integrated care on the ground being led by NHS organisations, is to hold that up. I shall look at what is possible, but what I want to do is to find a way whereby whatever we end up with is something that your Committee is able to feed into.

Q178 **Chair:** This Committee wants to see organisations being able to work together in a way that integrates them, because there is a widespread belief that integration should trump competition and that we should get away from endless contracting rounds. So, we do not want to hold up that process, but there is a really serious issue here about whether those regulations at this stage are absolutely essential or whether they should be delayed to allow a full public discussion of the concerns raised. That is



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the request.

Mr Jeremy Hunt: Because NHS England has announced that it will do a full consultation, that full public discussion will now happen, and I very much hope that your Committee will feed into that. We will, of course, take note of any conclusions that are made in terms of the regulations that we put before Parliament.

Q179 **Chair:** So you are going to delay them.

Mr Jeremy Hunt: No. I said that we will talk to the Whips about the timing, but that is not entirely within my hands. But there will be the chance for that public consultation.

Q180 **Chair:** But once the regulations have been laid and passed, they are there.

Mr Jeremy Hunt: Were it to be the case that the consultation from NHS England—you know, consultations can advise that regulations should be changed. I am not saying that they will necessarily be laid; I am just saying that it is not entirely, I am afraid, within my hands as to the timing of those regulations. It is entirely possible that a consultation can recommend that regulations are changed, but I am giving you the commitment that—

Q181 **Chair:** I am sorry to push you on this, Secretary of State, but the clear request from this Committee is that you say to us that you are going to go to the Whips and make the case for delaying the regulations until after this process.

Mr Jeremy Hunt: I have said that we will absolutely consider the request of the Committee when we are discussing the parliamentary timetable, but we have also made a serious commitment, which, if I may say, I do not think you are giving a great deal of credit to, which is that we will have a full public consultation about these contracts. We are committing that, both as NHS England and as a Government, we will listen to the outcome of that consultation carefully in the way that we implement the ACO policy. That was not the case when we had our original discussions and when you wrote your original letter. So, I think that is a very big step forward for people who are concerned—as I say, this is something that is not the case—that this is a vehicle for some kind of privatisation.

Q182 **Chair:** I am delighted that NHS England, which is at arm's length from Government, is listening to what we are saying in our letter. But what I am asking you as Secretary of State is to ask the Government also to listen to what we are saying.

Mr Jeremy Hunt: We are listening to anything the Select Committee says, as we always do.

Chair: Sorry—Ben.

Q183 **Mr Bradshaw:** If you are not prepared to delay the regulations and you



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are serious about what you have just said about the aim of this, which is to make it more likely rather than less likely that the NHS would be the deliverer of these integrated systems, why don't you draft the regulations along those lines?

Mr Jeremy Hunt: I am sorry, but I think that I really have explained that we are going to have a full public consultation on these regulations, and I very much hope that the Select Committee will feed into that consultation. We will take very careful note of the outcomes of that consultation, and that will shape how ACOs work in the NHS. So, I think that that is a pretty solid commitment to listen to what you say in your inquiry going forward.

Q184 **Mr Bradshaw:** Do you regret allowing the acronym ACO ever to take off, given that it is an American acronym, and all these health campaigners were bound to latch on to it as a red rag to a bull, when what we are talking about is sensible, vertical and horizontal integrations that could overcome the internal market and be very positive? Why on earth did you and the NHS allow these ridiculous American acronyms to take off?

Mr Jeremy Hunt: I do not think that there was anything remotely controversial about ACOs until very recently, when a particular group of campaigners decided that, because ACOs happen in America, they must be a thoroughly bad thing.

Q185 **Mr Bradshaw:** Come on, you are a politician—you should have seen that coming. Why not just call them integrated care?

Mr Jeremy Hunt: I am no fan of the American healthcare system, as I have said on many occasions, but there are a number of innovations that happen in America, such as amazing cures for cancer, which we embrace wholeheartedly. But anyway—

Q186 **Mr Bradshaw:** You are where you are.

Mr Jeremy Hunt: We are where we are.

Chair: We will not force you to come back. Saved by the bell. Thank you, Secretary of State.