Liberal Democrats in coalition: health

Overview: health policy under the coalition

Peter Sloman

Nick Clegg, David Cameron and Andrew Lansley (Secretary of State for Health, 2012–12) in February 2012

When the coalition government was formed in May 2010, few observers expected it to engage in radical reform of the National Health Service. Health featured less prominently in the 2010 general election than in any other recent campaign, partly because New Labour's investment programme had improved public satisfaction with the NHS and partly because the Conservatives worked hard to neutralise the issue. The issue was hardly touched on in the coalition negotiations, and the NHS section of the coalition agreement focused on the commitment to increase health spending in real terms and 'stop the top-down reorganisations of the NHS that have got in the way of patient care'. Within weeks, however, the new Health Secretary Andrew Lansley had published a White Paper which proposed to abolish Strategic Health Authorities and Primary Care Trusts, transfer NHS commissioning to GPs, and promote competition between providers. The resulting Health and Social Care Act 2012 became one of the coalition's most controversial – and consequential – measures. What role did the Liberal Democrats play in the Lansley reforms, and how far were Paul Burstow and Norman Lamb able to use their position at the Department of Health to achieve liberal objectives?

In the years before the coalition, it was not always easy to discern a distinctive Liberal Democrat vision for the health service. Under Charles Kennedy's leadership, the party had stressed the need for more investment in the NHS, greater autonomy for health professionals, and a bigger

role for local councils: the Liberal Democrats thus opposed the Blair government's plans for foundation hospitals and promised to introduce free personal care for the elderly.[1] However, David Laws' provocative chapter in *The Orange Book* – suggesting that the NHS should be turned into a continental-style social insurance system – opened up a debate on the merits of competition and choice which had not been resolved by 2010.[2] After becoming leader, Nick Clegg waxed lyrical about the advantages of personal health budgets and identified mental health services as a priority for investment, but his vision of 'a People's Health Service … built on personal empowerment, local control, and fairness' did not feature prominently in the party's campaigning in the run-up to the general election.[3] The health section of the Liberal Democrat manifesto – based on the report of a working group chaired by Baroness Neuberger – proposed to halve the size of the Department of Health, abolish Strategic Health Authorities (SHAs), and replace Primary Care Trusts (PCTs) with elected Local Health Boards in order to improve accountability and free up resources for frontline services.[4] As supporters of the Lansley reforms pointed out, it also proposed that Local Health Boards should be free to commission services from 'a range of different types of provider'; but this was qualified by a promise to end 'any current bias in favour of private providers', and sat uneasily with the broader emphasis on integrating health and social care.[5]

When the coalition was formed, Nick Clegg initially proposed Norman Lamb as Minister of State for Health, but Lamb's appointment appears to have been vetoed by Lansley.[6] Clegg's second choice was Paul Burstow, who had been party's health spokesman during the 2001 parliament. In many ways, Burstow was a natural choice for the post, since his background as a former deputy leader of Sutton Council prepared him well for the care services brief. On the other hand, Burstow's focus on strengthening local government made him more receptive to Lansley's vision for the NHS than Lamb might have been. In his definitive study of the Lansley reforms, *Never Again?*, Nicholas Timmins has pointed out that Burstow's involvement made the White Paper and the Health and Social Care Bill more rather than less radical. In particular, Burstow was willing to transfer commissioning to GPs because this made it possible to abolish PCTs and SHAs and to give responsibility for public health to local government. Lansley also agreed to establish council-led Health and Wellbeing Boards to coordinate health and social care provision in each area.[7]

Burstow seems have been broadly satisfied by this deal, and Clegg initially hailed the resulting Health and Social Care Bill as an expression of the coalition's commitment to localism and decentralisation.[8] It certainly offered a more coherent synthesis of Conservative and Liberal Democrat ideas than the health section of the coalition agreement, which had been hastily cobbled together by Oliver Letwin and Danny Alexander from the two parties' manifestos. During the first three months of 2011, however, a group of Liberal Democrat activists led by the Charles West, Evan Harris, and Shirley Williams began to campaign against the bill on the grounds that it would fragment the NHS and allow cherry-picking by private providers. When the party's spring conference in Sheffield in March 2011 amended a motion on the NHS to criticise Lansley's 'damaging and unjustified market-based approach', Clegg backtracked and persuaded Cameron to launch an independent review of the legislation.[9] During this two-month 'pause' Clegg and his colleagues secured a number of changes to the bill, including an expanded role for Health and Wellbeing Boards and a redefinition of the duties of the health regulator, Monitor; and Liberal Democrat peers obtained further amendments when the bill went through the Lords. None of this, however, seems to have allayed public concerns about the disruption which the Lansley reforms caused, or the prospect of creeping 'privatisation' of the health service. Indeed, Charles West and other Liberal Democrat activists continued to campaign against the Act, though Shirley Williams was persuaded that the amendments had safeguarded the founding principles of the NHS. This led to a major row at the 2012 spring conference.[10]

Burstow's specific portfolio of social care was more comfortable terrain for the Liberal Democrats within the coalition. Following a heated controversy over Labour's plans for a compulsory levy on estates to pay for social care in the run-up to the 2010 election, the Liberal Democrat manifesto suggested 'an independent commission … to develop proposals for long-term care of the elderly', and Nick Clegg gained plaudits in the first leaders' debate by calling for the parties to reach a consensus on the issue.[11] In this field the Liberal Democrat approach offered the path of least resistance, and Burstow quickly appointed a small commission chaired by the economist Andrew Dilnot to consider how far people should be required to pay for their own care. Dilnot's July 2011 report recommended that individuals' liability to contribute to care costs should be capped at approximately £35,000 – a sum which could plausibly be covered by private insurance policies – and that the asset threshold for means-tested assistance should be raised to £100,000.[12] The Treasury seems to have balked at the cost of the proposals, which Dilnot estimated at £1.7 billion, and though it eventually accepted the reform in principle it insisted on setting the cap at the higher level of £72,000.[13] This cap was included in the 2014 Care Act and was due to come into effect in April 2016, but the new Conservative government has postponed it until at least 2020.[14]

Alongside funding reforms, the Care Act established a new statutory framework for the social care sector, which Richard Humphries

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of the King's Fund has called 'the most comprehensive and ambitious overhaul of social care legislation since 1948'.[15] This drew heavily on a three-year Law Commission review which had been set up by the Brown government, but it also included measures to safeguard elderly people against abuse in response to the Francis Inquiry into failings at Stafford Hospital and to extend the Care Quality Commission's inspection regime to the financial management of care homes following the collapse of Southern Cross. Paul Burstow chaired the joint parliamentary committee which scrutinised the draft bill after he returned to the backbenches in September 2012, and it was piloted into law in 2014 by his successor Norman Lamb.

Lamb's appointment, together with David Laws' return to government as schools minister, suggested that Clegg wanted to make more political capital from health and education in the second half of the parliament. It also coincided with Andrew Lansley's replacement by Jeremy Hunt, which signalled an end to structural reform and a new focus on raising the quality of care. Lamb's most distinctive contribution here was to push mental health up the agenda. The 2011 strategy paper *No Health Without Mental Health* committed the government to seeking 'parity of esteem between mental and physical health services', and in January 2014 Clegg and Lamb published a further document, *Closing the Gap*, which promised to expand access to talking therapies and introduce waiting-time limits for key mental health services.[16] Clegg announced the first targets in his 2014 party conference speech, and the Liberal Democrats made much of the issue in the run-up to the election, promising to spend an extra £3.5 billion on mental health care in England between 2015 and 2020.[17]

One overview of the NHS under the coalition has concluded that '[f]or health policy purposes, this was a Conservative government' in which 'Liberal Democrat idea had almost no influence on the key policies'.[18] In fact, the Liberal Democrat legacy was rather clearer in health than in education: the party knocked some of the sharpest edges off the Lansley reforms, secured a bigger role for local government, and pushed the 'Cinderella' issues of social care and mental health to the top of the coalition's agenda. As with Michael Gove's school reforms, however, it was Lansley's NHS restructuring that dominated public debate and made it difficult for the Liberal Democrats to carve out a distinctive identity. Part of the problem was that many of the concessions which Clegg and Liberal Democrat peers achieved were either obtained behind closed doors, or were too complex to prevent a narrative of 'privatisation' gaining traction. Moreover, the benefits of most of Burstow and Lamb's innovations were either debatable or had yet to materialise by the time of the 2015 election. Health and Wellbeing Boards, for instance, had been established across the country and given a key role in integrating health and social care, but early research suggested that their impact was 'variable, and generally limited'.[19] Similarly, efforts to improve social care and mental health services were badly undermined by spending cuts in local government.[20]

Although Paul Burstow and Norman Lamb can have much to be proud of, then, the lesson of coalition seems to be that voters are ultimately focused on the bigger picture. Participants in pre-election focus groups organised by Lord Ashcroft, for instance, thought the Liberal Democrats were marginally more 'caring' than the Conservatives but 'were unable to identify a distinctive Liberal Democrat approach to the NHS'.[21] Perhaps distinctiveness is too much to ask for, since health has never been as central to Liberal Democrat campaigning as, say, education or the environment. Nevertheless, regaining trust among doctors and other public-sector professionals will be vital if the party is to turn its 'fightback' into seats at the next general election.

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Peter Sloman is a lecturer in British politics at the University of Cambridge and the author of The Liberal Party and the Economy, 1929–1964 *(Oxford, 2015).*

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Commentary: former minister

Paul Burstow

There may be some points of detail in the overview that could be quibbled over but in essence it captures the main themes of Liberal Democrat successes and failures during the coalition years.

I have no personal knowledge of whether I was first, second or last choice for the job! But after thirteen years in parliament, during which time I had covered the health brief with a distinctly social-care bias, I found myself with an opportunity to do something about issues I had long campaigned on.

The loss of Short Money[1] and an ill-judged decision not to appoint special advisers to support departmental ministers left us to cope with a tsunami of paperwork, meetings and pressing decisions. So keeping on top of the flow of submissions and drafts of the NHS White Paper, establishing the Commission on the Future Funding of Long Term Care – chaired by Andrew Dilnot – and drafting a new cross government mental health strategy occupied much of my time up to the 2010 summer recess.

The reaction to *Liberating the NHS*[2] was mixed but it did not signal the intensity of the hostility the health and social care bill would later provoke. The White Paper offered a blending of ideas from the Conservative and Liberal Democrat manifestos, mostly summarised in the coalition programme for government. The goal was to vest power in independent institutions to create a buffer between the NHS and the day-to-day politics of Whitehall and Westminster – an idea that was largely stillborn as a result of the wholesale change of the ministerial team in 2012.

Both parties had set out proposals in their manifestos for restructuring the performance management and commissioning of NHS services. It is why the commitment to 'stop the top-down reorganisations of the NHS', a late addition

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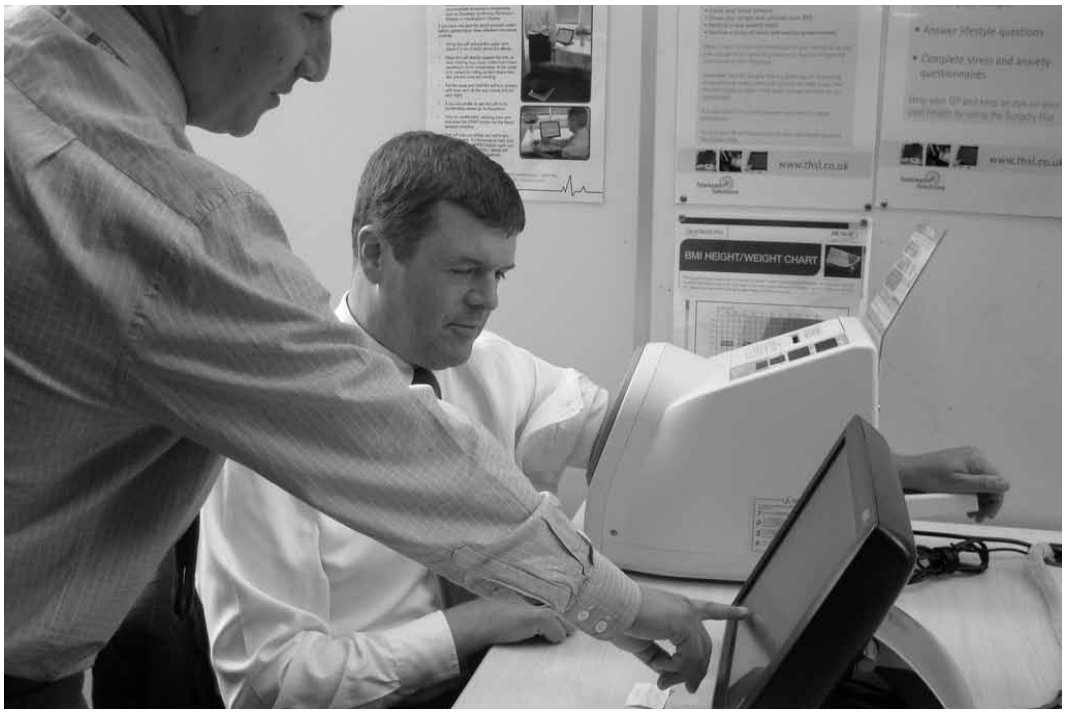

Paul Burstow as Health Minister

to the coalition programme, from outside of the Department of Health was such a hostage to fortune. For my own part I wanted to strengthen the role of local government in the NHS and I believed that Public Health England would have more opportunity to impact on the determinants of ill health through local government than in the NHS. The idea of pooling NHS and local government sovereignty through health and wellbeing boards was the result; they remain unfinished business.

The most hotly contested issue in the health and social care bill was competition. Although competition was nothing new to the NHS – it had been applied by Labour when in government – consolidating it in statute gave it visibility and made it easy prey for those determined to portray it as privatisation.

Could the changes have been killed in 2010? I do not think so, as both parties had stood on manifestos proposing structural change. The bill could have been killed by the Quad (the high-level executive committee comprising David Cameron, Nick Clegg, George Osborne and Danny Alexander) when the scale and complexity of the bill became clear. However, the true political cost only became apparent as the bill went through parliament, too late for a major reversal of policy.

Looking back I think the biggest failure was not to take a more root-and-branch approach to the long-standing issues of the funding and integration of health and social care. The party's policy of separate elected health boards would not have advanced this.

The call for integration within the NHS and between health and social care has grown louder these past six years. But the cause is not a new one. Debated in the 1920s when the Poor Law was reviewed, it was considered in the 1940s by Beveridge and again by Atlee's government. Despite these debates, the schism was entrenched by the creation of separate institutions, mandates and accountabilities. We are still living with the decisions made then. For example, over the past sixty years a number of Acts have introduced duties of cooperation on the parts of the NHS and local government, but with little result. The same is true of attempts to seed integration through the use of pilot schemes and pioneer programmes: these experiments fail to make it out of the laboratory.

The care bill not only enacted the Dilnot funding reforms, it also gave – and defined – a new organising principle for social care: the promotion of individual wellbeing. This wellbeing principle[3] could form the basis of the common purpose needed by the NHS and social care for successful integration. The legislation also put the rights of informal carers on an equal footing with those they cared for – for the first time anywhere in the world. These major social reforms are jeopardised, however, by the chronic underfunding of adult social care.[4]

Social care funding is unfinished business. The 2010 spending review kept the show on the road with a transfer of funds from the NHS budget. This was formalised by Norman Lamb in the Better Care Fund.[5] By the end of the current parliament, spending on adult social care will have fallen below 1 per cent of GDP. The consequences will be felt by families up and down the country and made increasingly visible as acute hospitals fill up with frail elderly people.

Dilnot would not have fixed this funding question. But what Dilnot did demonstrate is that, without a broad-based consensus, reform is stuck. Norman Lamb's call for a twenty-first-century

Beveridge Commission offers a practical way to reach a new political consensus on funding health and care.[6]

The 2011 mental health strategy I drew up contained a disruptive idea: 'parity of esteem' between physical and mental health. That idea has taken hold in the NHS, but there is still a long way to go. I asked the then president of Royal College of Psychiatry to map out what parity might look like in practice; her report still sets the standard.[7] However, although mental health now has a higher positive profile than ever before and has secured big funding commitments, it remains to be seen whether and when the money will make a difference.

While the Lansley reforms drew the political spotlight – for all the wrong reasons – I believe that the wholesale reform of social care law and greater prominence afforded to mental health are a legacies we should be proud of, defend and build on.

Professor Rt Hon. Paul Burstow was MP for Sutton & Cheam 1997–2015. He served as Minister of State at the Department of Health between May 2010 and September 2012. He is now chair of the Tavistock and Portman NHS Foundation Trust and Professor of Mental Health Public Policy at the University of Birmingham; he also runs a public policy consultancy covering health and care.

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Commentary: former minister

Norman Lamb

First, I think Peter Sloman's analysis is broadly fair. By the time I arrived in the Department of Health, the Health and Social Care Act 2012 had become law. I knew I had a maximum of two and a half years to do the things that I felt were important. I worked on the assumption that I would probably be gone in May 2015. This focused my mind and my resolve to try to drive change in a number of areas.

The Care Act, which I took though parliament, was widely welcomed as a long overdue reform of social care. (Paul Burstow had published the draft bill.) We managed to negotiate an agreement with the Tories to include the Dilnot cap on care costs and an extension to support for those on modest means. Cynically, in my view, the Conservatives dumped this within weeks of returning to power on their own. They say that the cap on care costs is delayed until 2020; I'm quite sure it is, in effect, abandoned. The rest of the Care Act is good legislation but it is significantly undermined by drastic underfunding.

My biggest disappointment, as minister, was our failure to get those with learning disability out of institutions. There are many people who could enjoy a better, more independent life, living in the community, with support. Yet I became more and more horrified by the inertia in the system and the abject failure to give people the opportunity of a better life. I was frustrated by my lack of power to force change. I decided that the only way to change things was to give people new legal rights to have control over the funds available for their care and to challenge decisions. We published a Green Paper shortly before the election but, frustratingly, this no longer seems a priority for the Tories.

The area where I felt I had most impact was in mental health. Our family experience helped inform my passion for change. I was on a mission to bring mental health out of the shadows, building on Paul Burstow's excellent work. I think, by the end, we had made it much more difficult for government and for the NHS to ignore the interests of those with mental ill health. Amongst the things that I am proud of are the following:

- Trebling of the numbers getting access to psychological therapies through the IAPT programme;
- New guidance on reducing the use of restraint and ending the use of face-down

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Norman Lamb as Health Minister

restraint in inpatient care – although not enough has yet been done to make this a reality;
- Introducing the Crisis Care Concordat which introduced standards of crisis care in mental health for the first time, encouraging police and health services to collaborate together;
- Reducing by 50 per cent in two years the number of people in crisis who end up in police cells;
- Ending the exemption of mental health from the legal right of choice (of where you are treated);
- Introducing a fast-track, high-quality, graduate training scheme for mental health social work – with the first top graduates having started the training this summer;
- Introducing the first ever maximum waiting time standards in mental health – critical to the objective of treating people with mental ill health equally with those with other health problems;
- Initiating trials to provide much better support for people who are out of work due to mental ill health to help them recover and get back to work;
- Rolling out a national, world-leading Liaison and Diversion Service to divert people away from the criminal justice system and into diagnosis and care.

Finally, my other priority was to try to get the system focused more on delivering integrated care. I felt lip service had too often been paid to this approach in the past without any real results.

We established integrated care pioneers around the country – encouraging areas to do things differently, bringing together fragmented parts of the system to provide better, more joined up care. And I introduced the first-ever legal right to a personal health budget, for those receiving NHS continuing care. This should be extended much further. It provides a real opportunity to transfer power from bureaucracies to people, a very liberal principle!

Norman Lamb has been the Liberal Democrat MP for North Norfolk since 2001. During the coalition government he was Parliamentary Private Sector to the Deputy Prime Minister (2010–12), Minister of State for Employment Relations (2012) and Minister of State for Care and Support (2012–15). He is now Liberal Democrat health spokesperson.

Commentary: critic

Evan Harris

The serious health problems that the Lib Dems suffered in coalition can be diagnosed as due to both the policy and the politics of the health and social care bill. This affliction also overshadowed the strenuous efforts of Paul Burstow to settle the question of the co-funding of long-term care and the valuable work done on mental health by Norman Lamb, both of which are well set out in the article. Peter Sloman identifies some of the factors leading to what was a disaster – for the party, the NHS and the reputation of coalitions.

David Laws writes in his book *Coalition* that Nick Clegg told friends that he 'should have pulled the rug out from under the NHS reforms and just killed them dead in 2010'. I agree with Nick.

But as with the even higher profile disaster on higher education, it was not purely due to a failure of Lib Dems to negotiate harder with the Tories, or a failure to grasp the political impact on the public's perception of the party in a Tory-led coalition. There were other factors at play.

One was a failure to settle the party's policy position firmly enough. The result, as Sloman says, was a lack of publicly discernable Lib Dem health policy. This was because the internal 'debate on the merits of competition and choice' (its evidence base, and whether it should take priority over quality and equity) … 'had not been resolved by 2010'. But in democratic policy-making terms it had been resolved – several times. But not in the minds of some of the influential minority on the neo-liberal side of public services reform within the party (the 'Orange bookers', led by David Laws) who were subsequently to allow their policy preference to be imposed on the party and the country.

Unlike the tuition fee disaster, when the pass was sold in one hour of coalition negotiations, the NHS policy blunder was carried out in slow motion – perhaps making it more egregious. The party was split between a majority who took a 'social democratic' position on the NHS (an end to repeated structural reform, stable funding, devolution of tax-raising powers and commissioning to elected local health boards) and a minority who took a 'classical liberal' position (favouring a more market-style system with the entry of more private providers).

The position of Laws and his supporters could not fairly be described as 'privatisation' of the NHS, but this would not stop real-world critics – from Labour, the Greens and the health unions – from using the label. The concern of those of us opposed to marketisation was that there was no evidence that increased competition improved quality, and plenty that would bring with it costs associated with the administration of the market. If a toxic policy is neither effective nor cheaper, what is the point of imposing it on the party?

Yet that is what happened. Nick Clegg, David Laws and their policy advisers were never really happy with the party's rejection of market-style reform of the NHS. I recall a conversation with a top Clegg adviser after the Lib Dem conference had voted against the bill in March 2011 when, as I went through the ways in which Lansley's bill breached Lib Dem policy and coalition agreement, and published Tory policy, she kept saying 'but it's a good idea.'

The fears over health policy of the party's early coalition-sceptics were assuaged by the coalition agreement's 'stop the top-down reorganisations of the NHS'. This may have been a mundane consequence of combining two bland manifestos, but it was a triumph in creating a false sense of security.

No history of the coalition health reforms can be full and fair without looking more deeply at the failure of the party to avert disaster after the NHS White Paper of 2010 was published. This did not get the attention in the party it deserved. Dr Charles West raised his concerns, as did outside health campaigners. But, to my lasting regret, I did not engage with it at that point. More crucially, a motion on the subject was not selected by the Federal Conference Committee for debate at the party conference that year. The absence of an early full-blooded party debate was not only a disservice to the party, but also to Nick Clegg and his minsters, as they were lulled into thinking that the subsequent health and social care bill could be steered through relatively smoothly.

The bill was not NHS privatisation, but it was a very poor bill. It clumsily ended the Health Secretary's responsibility for providing a universal service, it promoted innovation and choice (i.e. competition) above equity (i.e. fairness); it encouraged the privatisation of the commissioning function; and there was a complex chunk of the bill on the marketisation of almost all NHS provision. On top of that was the top-down reorganisation which – among other things – abolished the co-terminosity between health commissioners (PCTs) and local authority social care commissioners. This would put an end to Lib Dem dreams of achieving our policy of merging health and social care commissioning, integrating provision and allowing tax-varying powers by locally elected health boards to make rationing more transparent and responsive. The reforms also put GPs in charge of commissioning, a task for which they are not trained. The irony was that when I was health spokesman in opposition, and despite being the first to oppose Blair's GP contract as 'paying doctors more to do less', I had been criticised by Nick Clegg for being too much on the side of doctors and nurses (so-called 'producer interests').

Many Liberal Democrat opponents of the reforms like me tried pragmatically to resist the 'Kill the bill' calls from coalition opponents and the health unions, in favour of stripping out the marketisation section, and stopping the privatisation of commissioning and the prioritisation of competition over equity. Not only did we largely fail, despite the best efforts of Shirley Williams, but I now see that I was misguided. David Laws writes in his book *Coalition* that Nick Clegg told friends that he 'should have pulled the rug out from under the NHS reforms and just killed them dead in 2010'. I agree with Nick.

Dr Evan Harris was MP for Oxford West and Abingdon 1997–2010) and Lib Dem Shadow Health Secretary 1999–2003. He serves on the Federal Policy Committee. He trained in hospital and public health medicine.