

Dame Lucy sees the need to help

I was thinking it has been a poor time for leaks, when to my surprise the following intercepted memo appeared anonymously in my inbox. It appears by keeping a low profile during turbulent Brexit times Dame Lucy has survived in the Cabinet Office.

From Head of Cabinet Office Post Brexit renewal unit

To Professor Redmayne, Professor of European inequalities

Dear Karl

I need your advice to assist me in presenting to Ministers on how to tackle various supply chain and labour market issues which you will have seen in the media. As you will appreciate I worked very closely with the previous government to try to secure an Agreement with the EU that captured and retained all EU law and our single market obligations. This was in accordance with the then Prime Minister's wishes to replicate many of the features of our membership to avoid changes and shocks. This work was altered by the change of Prime Minister in 2019 and by Parliament's unwillingness to vote for the comprehensive partnership we had secured.

As the head of the new Post Brexit Renewal unit I need to give advice on how the government should behave towards the full body of EU law that is now on our Statute books, and how we should negotiate if at all on the Northern Ireland Protocol and the transition over fishing. Looking at the situation it seems to me I need to point out that the UK does now rely on imports for some of its electricity and fuel, that it needs to respect EU law under the NI Protocol and should not be dogmatic about fish given the passionate concerns the French have about this minor industry. The government needs to understand the power of the EU and the legal realities of the position they find themselves in.

It would be most helpful if as an external independent expert you could let me have background on the extent that the UK will need imported food and fuel over the next few years. A study of relative regional imbalances in EU countries and the UK would be topical given the debate here about levelling up. If it is your continued view that freedom of movement of workers and adherence to the common fishing, energy and farming policies and standards is best for the UK it would be good to have the case set out. I would expect you to have the contacts in and references from larger European companies who would take this sensible view.

There is a strand of Brexit commentary taking hold that thinks paying people at home more to take jobs that would otherwise go to continentals coming here under freedom of movement would be a good idea. They are also keen to rebuild domestic capacity in everything from food to fish and from energy to technology. Your help in explaining the difficulties and theoretical problems with this approach would also be a useful balance to the debate.

Some Ministers think there are easy Brexit wins from changing laws and cutting taxes like VAT on various products. We need to present the case against a race to the bottom and set out the balance set by the growing body of EU law designed to protect the single market and European values. They do not seem to understand that it makes sense to import more food, cars, energy and other items in a spirit of European solidarity, and to welcome EU workers here.

Given the prestige of your department and the important work it does I am sure we can come to some agreement on the scope and reward for this study that a Minister will approve. I will draft it around the twin themes of levelling up and post Brexit policy. I note that the Health department has recently agreed a study mainly of health inequalities when the Treasury wanted a simple attack on waste in the NHS.

Yours

Dame Lucy Dolittle

More energy please

The Business Secretary seeks to reassure us that the UK will have plenty of cheaper green energy in due course. That will be very welcome. It will need to work with or without the wind blowing and the sun shining. He also needs to check we have enough energy for the next decade whilst we await completion of these investments. Presumably they will need battery and or hydrogen and or water power storage of wind power. Recent experience has shown electricity capacity is tight when the wind does not blow. Current gyrations in a world gas market temporarily starved of enough gas is causing real problems for UK users and for some electricity generators.

The truth is if you wish to have a steel, chemical, food, glass, cement, and other main process industries today you still need plenty of good value base energy from gas or some similar primary fuel. That is why Germany is busy negotiating to buy yet more quantities of Russian gas to keep her factories turning when she has little gas or oil of her own. It is also why she persists in mining yet more coal and burning much of it despite the general advanced country agreement to phase it out quickly. That is how she maintains her status as Europe's leading industrial economy.

The UK should be better placed. The UK has access to more gas and oil under its own geographical jurisdiction. The government now proudly tells us we produce half our own gas, but the figure needs to be higher. It is, after all, much greener to use our own gas down a relatively short pipe than to haul LNG half way round the world with all the extra fuel that takes to transform the gas and power the ship.

Last month with little wind the UK had to restart three coal fired power stations. Thank goodness those had not been dismantled and knocked down as the others had, as they helped keep the lights on. The government needs to ensure we have enough reserve power to run. Maybe it needs to convert more to biomass which can provide stable power whatever the weather.

In due course we may have large scale battery or hydro or hydrogen storage of excess power generated by renewables on sunny or windy days. We may have more reliable hydro systems. What we cannot rely on is imports in an energy short world. We should not expect others to mine coal, burn gas and make things for us. The UK has to help find the acceptable energy and generate the necessary power, as we always used to. For many years we produced our own energy as an island of coal in a sea of oil and gas, with plenty of electricity capacity of a wide range of kinds.

The government for this decade needs to factor into the figures the progressive closure of most of our nuclear power stations which today generate around 17% of our electricity. In due course there may well be ways of making steel, glass and cement that do not need so much gas, and ways of heating our homes without the gas boiler. In the meantime we need to make sure we can cover our needs.

Health spending

In conducting the review of Health spending the new Secretary of state needs to pursue some of these questions.

1. How much will the planned reorganisation cost? What is the purpose of the abolition of Clinical Commissioning Groups and their replacement by Integrated Care Boards and Integrated Care Partnerships? Will some of the CEOs of the CCGs be appointed to be CEOs of the new bodies? Will they still be paid some redundancy payments or is there a clause which says if they maintain employment with the NHS there should be no such payment? If the NHS decides to appoint former CEO employees in the reorganisation does it save headhunting and recruitment fees on those people? Are there planned savings from the reorganisation, and if so how much and when?
2. Test and Trace. Test and Trace understandably was expensive in its first year when there were a lot of set up costs and provision of a large capacity in the face of an unabated pandemic. Current year spending of £15bn on T and T seems high. Surely next year there can be a sharp reduction in T and T spending, with much of the cost now sunk, and with less need for capacity to man the system which can be largely automated anyway.
3. What are the forecast costs of the vaccine programme against CV 19 going forward? Again surely there will be substantial savings next year

as most people who want to be vaccinated will have had two jabs and many will have had a winter booster as well?

4. How much will be saved by not hiring in capacity from the private sector in the way the NHS did during the peak of the pandemic? How many treatments and operations will the private sector carry out for people willing to pay, relieving pressure on the NHS as private capacity is returned to that sector?
5. What productivity savings are brought by the use of digital consultations and remote medicine?

[GB News – The Clash](#)

I was a participant this evening on The Clash. The full video is available here:

[The review of Health and social care Leadership.](#)

I am publishing tomorrow's blog now, as the Health Secretary has just spoken to Conference and this provides some of the relevant detailed background for those writing about it.

In response to those of us who have asked how the new Secretary of State will ensure the extra money directed to the NHS will be used to raise the quality of care, improve access and get the waiting lists down, Mr Javid has announced a review of NHS and Care leadership.

He has appointed General Sir Gordon Messenger and Dame Linda Pollard to conduct a review into how efficiency and innovation can be improved in the NHS and how regional inequalities can be reduced. As Health now has a massive £230 bn budget, absorbing all of our Income tax, CGT, Inheritance tax and Stamp Duty it is indeed to time to review how it can be better spent and to ask what another £12 bn can bring that £230 bn cannot achieve. I wish to explore this in a few pieces and pass on my thoughts to the Secretary of State. I would have preferred the terms of the review to have been more narrowly focussed on quality and cost of care.

Let us begin by asking what can we expect of the two lead characters appointed? I wish them both well and acknowledge they have had successful careers in public service. May they be wise and insightful in this task, stepping outside the frequent public sector wish to claim all is well and

turn most arguments into one about how much extra money is required .Often the need is to remedy defects in the way the base budgets are spent.

General Sir Gordon can draw on the talents, bravery and discipline our soldiers show, and their ability to improvise and respond quickly when on active service. He was decorated for his personal bravery in leading troops in action. I hope he has also learned from some of the failings of MOD and senior army management. There is a long history of big budget overruns and delays when buying equipment. The use of the rank of Lieutenant Colonel paying around £80,000 a year for 1510 senior officers in a service of 82,000 armed personnel does not look like slim management. There are 590 more officers of ranks above Lieutenant Colonel to fill the main national management roles.

Dame Linda Pollard can draw on the example of the bravery, hard work and versatility shown by the front line NHS workers handling serious covid cases over the last year and a half. The Leeds Teaching Hospital she chairs was last rated as Good by the Care Quality Commission. It did, however, receive criticism for safety which needed improvement. It failed to meet performance standards for referrals to treatment – i.e. too many people waited too long. Its emergency readmission rates were above the national average meaning more remedial treatments were needed. Its staff cost per unit of work were lower than average but its non staff costs higher. I would be more reassured about her advice were Leeds to have an outstanding rating for safety and quality of care, and were it not to have issues in getting waiting lists down.

The media did not seem to report any of this, saying the review was an attack on waste and wokery. It is not quite what the announcement says. I do think the Secretary of State needs to sit down urgently with the leading CEOs running the NHS in England to get them to identify what they need to do to get waiting lists down, the prime current objective. Of course this also entails performance criteria for quality of treatment and cost. His own performance monitoring system which is very detailed by CQC should help him decide which of the senior CEOs are good, which need to be mentored to improve and which if any need to be removed for continuing poor results.