AM: Chris, my first point, as I said during the paper review really, is this not just the usual kind of financial shroud waving ahead of an autumn statement? The NHS is always in financial crisis and somehow it always muddles through.

CH: I think there are three different things this time. The first is, if you look at the performance statistics that we were talking about, despite the incredibly hard work of NHS staff we are under the greatest pressure that we've been for a generation. The second is we're really struggling to make the money work this year, but it's a 3.8 per cent increase. If you look at what's happening next year it goes down to 1.4, the year after zero point three, the year after 0.7. NHS cost and demand goes up by four per cent a year. So we've got a huge gap coming. And a third and perhaps most important point is it's not really us that's saying this, it's the chairs and chief executives on the front line of community, mental health ambulance and hospital trusts who are saying they cannot make this add up any longer.

AM: So to be clear, either the NHS gets a major amount of new money, either through new taxes or some kind of levy or something, or you have to start to cut and ration services. What are the kind of things that you suggest should be cut and rationed?

CH: Well, I think we already know the answer to that in terms of we've already seen over the last three or four months the beginnings of these kind of choices that need to be made. So we have a CCG and clinical commission up in the northwest that effectively said it needed to postpone all non-urgent operations for four months.
AM: That would crack down on people who are smokers or obese...

CP: That was exactly – exactly the example I was going to give you. But we’d also give you some examples from the providers, our side of the house, which effectively is we’ve now got providers trusts, hospital trusts who are having to close services. We’ve also got trusts who are saying that the only way to make the money add up is to cut the workforce. These are all things that have been done by other public services, but I think it’s very different for the NHS because –

AM: People should be aware that it’s about to happen with the NHS?

CH: Well, that’s the reason as to why we’ve just made a very clear, unequivocal statement from the frontline: the people who are responsible every day for overseeing the safe delivery of care, what they are saying very clearly is they cannot provide the right quality of care and meet the performance standards on the money that’s available and something has to give. And we should have a proper debate about what should give rather than pretending the gap doesn’t exist or leaving it up to each individual area to make a decision about what should give.

AM: So something has to give, and we’re at an unusual point in the NHS’s history, which is that there is a new government policy for the NHS which is that the NHS should go seven days. Can I ask you directly, given the money you have is the 7-day NHS deliverable?

CH: Well, I think Jeremy Hunt and other have made a very strong case for 7-day services, but it seems to us it’s impossible to deliver it on the current level of staff and the current money we have available. If something has to give at the moment when we’re trying to do what we’re currently doing, it can’t cover important new policies like 7-day services.
AM: So it can't be done and of course the junior doctors' strike won't go away as well, I suppose.

CH: Well, I think the junior doctors' strike is a really interesting issue, Andrew. If you talk to junior doctors to ask them why are they so angry, the answer is because of the pressure that they are under. The reason they are under that pressure is precisely because we can no longer provide the quality of service, meet the standards, on the money we have available.

AM: A year ago, less than a year ago, after the last settlement you said that the ten billion up front that Jeremy Hunt and Simon Stevens had negotiated, which was a great success, he congratulated you on it, and you suggested that the NHS was going to be able to go forward. So why now, less than a year later, are you saying that you're facing a cliff edge?

CH: We always - we're not saying we're facing a cliff edge, what we're saying is that effectively we see a long term decline in the NHS and we want to sound a warning bell. What we said at the time was that it was glass full, glass half empty. If you look at what happened to other public services, the NHS did do better than the other public services and I think it did that because of the case we made. But we're very clear it was never going to be enough.

AM: So no 7-day NHS, plus more money from general taxation, is that what you want?

CH: Yes. But also, Andrew, I wouldn't want to make it sound as though somehow we're not meeting our responsibilities. All our hospital chairs and chief executive know they have to deliver stretch and savings targets and stretching productivity. They're absolutely signed up to that. What they're not signed up to is being asked the deliver the impossible and then being chastised when they inevitably fall short.
AM: Well, ministers would say the real problem is not the amount of money going in but the mismanagement by NHS managers, particularly over things like agency workers, where the bills have gone rocketing up all over the country.

CP: Well, Andrew, if we just had five or ten per cent of hospitals in deficit, if we just had five or ten per cent of hospitals missing their A&E targets, there might be an argument that there were some managers who were perhaps not delivering. But when you have 90 per cent – 94 per cent of hospitals missing the A&E standard, when you have 80 per cent of hospitals in financial deficit, that is clearly a system-level problem. It’s not a problem of poor management. And of course there are those in the NHS system leadership who would like to pretend this is all due to incompetence at the front line. You know, fantastic NHS staff lions led by donkeys. It really isn’t as simple as that.

(ends)