

PS(Q) Speech to Expo 2011

Draft date: 7.3.11

Word count: 1,550

From its first breath, the NHS founders said it would be constantly evolving, constantly renewing itself to meet new demands. How right they were.

From the big advances in technology through to small changes in clinical practice, innovation has always been the key to renewing and reinventing the NHS.

It still is. In fact, at a time when all healthcare systems face the familiar challenges, of higher costs and increased demand from older populations, the quest for new ideas and fresh thinking is greater than ever.

Sadly, the path of innovation –rather like the path of true love historically never runs smooth.

We've failed to spread new ideas quickly and effectively in this country.

The MRI scanner, for instance, had a far more rapid uptake in the US than it did here in the UK.

And famously, it took nearly twenty years before Alexander Fleming's penicillin spores were refined, mass-produced and adopted as a staple of NHS treatment.

NHS AS A STRONGHOLD FOR INNOVATION

Of course, things have improved since then. Let's not for a minute overlook the National Institute for Health Research, and the excellent work that it has

done to bring research, industry and clinical practice closer together in recent years.

But we can do better. We can do more to remove some of the speed bumps and ‘no entry’ signs. And we can ensure that fewer good ideas slip through the net.

As the Secretary of State explained yesterday, we want to make the National Health Service a stronghold for innovation.

More supportive of invention. More receptive to new ideas. And more adept at spreading and mainstreaming new practice across the system.

SUPPORTING LIFE SCIENCE

The focus on greater decentralisation and the Big Society presents a real opportunity to embed and

advance a strong culture of innovation in the front line.

But it should also open up more opportunities for the Life Sciences to get their ideas picked up and applied by the NHS.

Our ambition is very clear. We want the UK to be the location of choice for life sciences, R&D and manufacturing investment in the future.

All the right ingredients are here.

Outstanding creativity and talent. An exceptional research base. Thriving enterprises. And, of course, the National Health Service itself – the world’s largest publicly funded healthcare system.

At Government level, we currently have the ‘Growth Review’ – which was set up by the

Chancellor and the Business Secretary to maximise growth and tackle barriers to business.

And healthcare and the life sciences have been selected as one of six priority sectors within the Review.

So it's a sign of how crucial we see the work you do.

As an engine for economic growth.

As something that can help us to build a more balanced economy, and help create the jobs of the future.

And what this means you can expect the spotlight to continue to fall on the industry for as long as this Government is in office.

GLOBAL DEMAND FOR NHS EXPERTISE

The life sciences are clearly vital.

But let's not forget the tremendous value that's not yet fully utilised within the NHS.

We are the world's largest integrated healthcare system.

Because of this, we have always had strong international interest in what the NHS does.

And with a global healthcare market worth around four trillion dollars, the potential value of harnessing that interest is enormous.

So my question today is how do we do this.

How do we make more of this global appetite for NHS skills and NHS expertise?

And how do we do so in a way that supports better care for patients?

INBOUND / OUTBOUND CARE

Let's start with the big point of controversy – that of inbound and outbound care.

Should the NHS open up its services to overseas customers?

My view on this is simple.

As long as the protections are there for UK patients – and they will be protected through the outcomes and quality standards regime – then I think it's right that we open our minds to this idea.

Why should the NHS not market itself to overseas patients and earn revenue from them?

Why should Trusts be prevented from exploring these opportunities?

Why should we be held back from turning that strong reputation to commercial advantage – especially when the money can be used to improve other services?

To an extent, it already happens. Many major Trusts already have private patient units that plough back any profits into NHS care.

For example, Great Ormond Street received £20 million from private patients in 2008/09, and it now has a dedicated International Patient Centre.

This is something we want to encourage as more providers become Foundation Trusts.

I take a similar view on outbound care.

NHS organisations are already offering their services abroad, often in partnership with private sector organisations.

Sometimes it's for commercial reasons. For example, Moorfields Eye Hospital in Dubai treats thousands of fee-paying patients a year, returning £2.4 million to the NHS in 2008/09.

Sometimes it's also in the interests of philanthropy. Addenbrookes in Cambridge, for instance, is working with a hospital in Botswana to improve HIV/AIDS treatment.

I cannot see why we can't increase this kind of activity – not only for profit, but also to build up the NHS's reputation abroad.

Frankly, why shouldn't our top hospitals be competing with the likes of the Harvard Medicals and Sloan Ketterings of the world?

This should be the scale of expectation we have for the brightest and best in the NHS.

KNOWLEDGE, PRODUCTS AND SERVICES

But as much as selling our clinical services may catch the eye (and make the headlines), it shouldn't detract from the wider opportunities that are available.

In fact, the direct provision of NHS care is only a small part of what's possible.

It's actually NHS consultancy and know-how that offer the biggest potential revenue streams.

That's because NHS organisations generate tremendous amounts of intellectual property as they design new solutions.

Data packages on health and lifestyle activity, drug cost-benefit and clinical trials ...

Tools to support commissioning, quality accounts or service failure protocols ...

And the various accreditation processes, social marketing campaigns and telecare models, that you can see around us that have direct application elsewhere ...

All of this has huge interest and commercial value for other healthcare systems.

We believe the products, knowledge and systems developed by the NHS could be worth up to £150 million a year in the global market.

Are we harnessing this expertise or realising the value in a systematic way?

The answer, in my view, is ‘not enough’.

CONSULTANCY / ADVISORY SERVICES

By the same token, we all agree the NHS is home to world-leading clinicians and healthcare experts.

And there’s huge demand from international organisations or governments looking for advice

and consultancy to help them improve their own healthcare systems.

For instance, the National Institute for Health and Clinical Excellence have already provided advice on replicating the NICE model to numerous countries in Europe and the Middle East.

Across the whole NHS, the potential revenues from advisory services could be as high as £200 million.

So again, are we really doing as much as we could?

GLOBAL PRESENCE AT EXPO 2011

There's no question in my mind – the NHS can compete with the very best in the global market in all of these growth areas.

And that's why I'm so pleased this year's Expo looks outwards, as well as inwards.

Yesterday I had the pleasure of opening the International Business Innovation zone, and I met delegations from various countries from around the world. All of them looking to partner and buy from British companies.

From the conversations I've had, the NHS doesn't just have a chance to compete, in many cases it can be the partner of choice for many health economies.

PUBLIC OPINION

But do people really want a more commercially aggressive NHS? Is it really part of what the NHS should be about?

Well, there'll always be some that claim that this is 'selling off the family silver'.

But I think more people would say that, at this time of economic pressure, we should encourage entrepreneurship and enterprise within NHS organisations.

Of course, the deal breaker for the public would be if commercial activity was ever at the expense of frontline services and patient care.

But let me be clear: that's never been on the agenda or will ever be.

All of us agree that improving care for NHS patients must always be the first priority – and that will never change.

But if we can achieve more value from NHS expertise then this money could be ploughed back into the UK health system – as it already is in some of the pioneering trusts.

In fact, going back to the Moorfields example, its chief executive John Pelly has said – I quote – that ‘without profits [from commercial business] our ability to invest in our clinical services would be seriously constrained.’

So this isn’t something that will detract from patient care; in many cases it’s actually vital for improving it.

CONCLUSION

We know this isn’t an easy time for the NHS – it’s arguably the toughest time in its 60 years of existence.

But you know what they say about necessity. It will take strong, forward-looking leadership. But this can also be an exciting and empowering period of NHS history.

Innovation, as Andrew said yesterday, can be decisive in meeting the financial and demographic challenges.

And we need to champion this work as a way of delivering more for NHS patients in a tougher climate.

But let's not stop there. I think we can and must harness NHS expertise and talent to much better as a commercial opportunity. To build our international reputation. To draw in more investment and resource from abroad. And to reinvest in patient care.

That's my message. There's no doubting the talent is there. Certainly, the opportunity is too. So let's make the most of it.