HOUSE OF LORDS

SCIENCE AND TECHNOLOGY SELECT COMMITTEE

Behaviour Change follow-up

Oral and written evidence

Contents

Behavioural Insights Team – Oral evidence (QQ 1-9)

Evidence Session No. 1. *Heard in Public.* *Questions 1 - 9*

TUESDAY 6 MAY 2014

Members present

Lord Krebs (Chairman)
Lord Dixon-Smith
Baroness Hilton of Eggardon
Earl of Selborne

Examination of Witness

Mr Owain Service, Managing Director, Behavioural Insights Team

Q1 The Chairman: Welcome, Owain. We are a slightly reduced Committee but we are nevertheless very keen to learn from you about the work of the Behavioural Insights Team. As you will be aware, this is a very short follow-up to an inquiry that we completed around two years ago in which your colleague David Halpern gave us some very helpful evidence. The purpose of our former inquiry was to understand the relative positioning of nudge-type initiatives, which your unit is famous for, and regulatory or tax initiatives to persuade people to change their behaviour. You will recall that, as well as looking at that problem in general—behaviour change at population level—we looked at two specific examples, namely modal shift in transport and obesity.

So what would be very helpful for us as a first question for you—and I invite you, if you like, to just introduce yourself for the record before you answer the first question—is to tell us about what has happened. The Behavioural Insights Team is now coming up to five years old, is it?

Owain Service: Not quite.

The Chairman: Four years old.

Owain Service: Almost four years, yes.

The Chairman: Almost four, so you have had time to have an impact. So perhaps you could introduce yourself for the record and then if you want to make any brief statement do, but then move on to tell us how the approaches that you have developed in BIT have been adopted across government and what the evidence for success is. So will you perhaps just introduce yourself briefly?

Owain Service: Sure. My name is Owain Service. I am the managing director of the Behavioural Insights Team. I suspect that you will want to ask me later about our form outside of government.

The Chairman: We will come to that later, yes.

Owain Service: In terms of opening statements, I do not have much more to say than when you launched your initial inquiry. I did a lot of work in terms of pulling together the feedback from different departments around the behaviour-change report that you published. I remember at the time thinking that I agreed with almost everything that you concluded in that report. Having reread it over the weekend there are a few things that I would like to highlight before I go into talking about what the Behavioural Insight Team has specifically been involved in.

One of them was your very strong conclusion around the use of academic links and what could be done in that area in terms of government policy. It is something that we have focused on a lot over the past few years and in particular since the publication of your report. I would be really happy to talk more about that in a minute.

The second is that we have, possibly more than any other part of government, pioneered the use of evaluative techniques, and in particular the use of randomised control trials to test the efficacy of new interventions. That also came through for me strongly in your initial report.

The third—and I am sure that we will get into this—was around the interface between regulatory and non-regulatory levers. I got the sense from your initial report that there was a sense that the Government were at the time suggesting that these two levers were in contradistinction to one another. The thing that I would like to emphasise, and will probably come through strongly when I talk, is that we see them as being very much aligned with one another in the same way that I think your findings from the initial inquiry came out clearly. But I will go into that in more detail as you ask specific questions.

In terms of what has happened since the establishment of the team, the team was established in 2010 with a remit to think about how we could draw on ideas from the behavioural sciences and apply them in practice to public policy. There was back in those days, I would be the first to admit, a fair amount of scepticism as to how far we could go down that path. But in the intervening period I think that we have done a considerable amount—not just in terms of the Behavioural Insights Team but the UK Government as a whole—to spread understanding of the behavioural sciences and in particular to start some really practical examples of how we can draw on ideas from the behavioural sciences and apply them in practice. To give you a few examples, both in terms of what government has done and some practical examples of policy, there are now behavioural insight teams in pretty much every domestic department in Whitehall. There is a behavioural insights network that brings together experts from different departments. The Behavioural Insights Team within the UK Government has been seen internationally as a leader in this field. Just one example of this is the fact that Harvard University has now set up a behavioural insights group, partly as a reflection of the interest that they have in what the UK Government have done. They would not have used the term “behavioural insights” before and we now have very strong links with them as well as with the whole group of UK academics.

In terms of the practical things that we have done, when you were receiving evidence in 2011 there were a lot of initiatives that were under way that I did not have time to report back then, bearing in mind that the team was set up in the second half of 2010 and a lot of the initiatives required a bit of time in order to get themselves running.

I will give you four or five examples now. The strongest example, which we would only just have started back in 2011, was the work that we have been doing with HMRC that we had been pioneering with HMRC officials. There were a number of officials who were in HMRC who were particularly important in establishing some of the new methodologies. We have now run tens of different randomised control trials to test the efficacy of using, for example, different messages in letters. HMRC estimates now that these trials alone in one area of HMRC have helped to bring forward about £200 million in revenue to the Exchequer. They include things like using social norms to encourage people to pay their tax on time. So we now know for example that telling people that nine out of 10 people pay their tax on time encourages more people to pay their tax on time. If you use more localised messages—if you say, “The vast majority of people in your local area pay their tax on time”—it is slightly more effective. Through numerous trials we have helped show that these small but significant interventions can help bring forward much more revenue.

I mentioned the use of randomised control trials, and in particular the work that we have been doing on spreading this as a methodology and a methodological approach through government. A couple of years ago we published a paper called *Test, Learn, Adapt,* which is all about using randomised control trials to develop public policy and I think is a strong reflection of the kind of work that we have done in response to your original report. That became the most downloaded policy paper that the Cabinet Office has had over the past few years since the election. It won the Institute for Government’s Inspiration for Government award and has helped to encourage other government departments to use randomised control trials to test their interventions.

One of the strongest examples of this over the past couple of months has been the largest randomised control trial that has ever been conducted in the public sector, which we ran in conjunction with the DVLA, the National Health Service, the Department of Health and the Government Digital Service around encouraging people to join the organ donor register. That showed that varying the messages that we use to encourage people to sign the register was a very effective way of encouraging more people to register. That trial alone suggested that over the next 12 months we will add about 100,000 people to the organ donor register by using the most effective messages.

I could go on with lots and lots of other examples if you want me to but I suspect you probably want me to stop talking.

The Chairman: Yes, I think what would be helpful, Owain—it is really helpful to have that sketch—would be if you could just drop us a note with, say, your top five success stories plus any failures, because I imagine it is not every time that you end up with a success.

It is really impressive; I read the leaflet you produced on randomised control trials. That was the one written with Ben Goldacre, was it not?

Owain Service: That is right, yes.

The Chairman: It was very nice to see that systematic approach being introduced into thinking about policy. What I wondered was to what extent you publish the results of your

RCTs in the peer review literature. Do you subject yourself to the usual forms of independent scrutiny and transparency?

Owain Service: We do, where possible. In fact our first peer reviewed journal articles are now appearing. Obviously it takes time to go through that process but I will give you a couple of examples. We published a paper around the control trials we have been conducting with the courts service, which showed different ways of encouraging people to pay their court fines on time. We have just published the first findings from the work that we have been doing with HMRC as well. So perhaps in the note that I send you around our top five successes I can also point to the articles that we are starting to publish.

Having said that, the core remit of the team is to support public policy initiatives. So the team itself is composed of individuals who have a very strong grounding within public policy together with people who have a very strong academic background including individuals who have an expertise in running randomised control trials. So the academic side of our work tends to be something that is encouraged and done in the spare time of individuals on the team.

The Chairman: I can see that, but for establishing the credibility of your approach, to have peer review literature is crucially important.

Owain Service: It is very important, yes.

Q2 The Chairman: The other thing I wondered about—and I can see one answer you might give to this—is over what timescale do you think it is appropriate to evaluate the effectiveness of the architecture interventions or other forms of nudge interventions that you have introduced? Clearly one answer is that you have only been in existence for a few years so you are not able to follow them over, say, a decade, but is it part of your programme to see whether when you change the tax letter or the court fine letter you get a spike and then it fades away? You are probably aware of the Hawthorne effect that simply introducing the change itself introduces a change in behaviour. It may not be causally linked to the details of the change; it is just that people behave differently when the environment around them changes. What are your thoughts about the timescale over which you should evaluate these interventions?

Owain Service: I think the answer is that it entirely depends on the nature of the intervention. Some interventions are likely to be subject to diminishing returns over time while others are likely to remain effective. I will give you a couple of examples. With the kind of intervention where we are looking at changing a communication, the way in which we encourage somebody to respond immediately to a particular communication, whether it is from the courts service or HMRC, a one-off decision, you can measure efficacy very quickly. A second-order question is: does the same message repeated over time have the same effect?

For example, in relation to a lot of our HMRC work where we have repeated some of the trials over time, we are not seeing a diminishing of the effects, but one of the things that we are conscious of is that we are not necessarily introducing those same strategies in relation to the same individuals over time, we are introducing them in relation to the same campaigns. Those are two different things. At the other end of the spectrum is the work that we are doing at the moment with the Department for Business. This is an incredibly important piece of work that the Government are now undertaking in relation to the growth vouchers programme. The growth vouchers scheme was launched last year as a means of giving small to medium-sized businesses access to business advice and mentoring. It is being run as a fully fledged randomised control trial to test the efficacy of that approach in government policy. It is probably the most sophisticated control trial that has been run in the developed world. I say the developed world because there are similar schemes that have been done around international development but not in the developed world. It will take years before we are able to see exactly how effective it might be. When you give somebody access to some advice today, it takes time before you can see whether or not it has led to long-term growth. So the real answer is that it depends on the particular initiative, but we are already seeing that interventions we have introduced are having an effect in the short term.

The Chairman: Can I just clarify one point in that response? With the tax letter, the social norming, did I understand correctly that you do not send the same sort of letter, or you have not in the randomised control trials, to the same individual two years in a row? So they get it once and they are more likely to fill in their tax form on time, but then what happens in the year-end plus one?

Owain Service: We have not done that in a way that would enable us to come to a clear conclusion on that particular area. My hunch would be that the more you bombard someone with a social norm the less effective it is over time. But that is just in relation to the use of social norms, which is a very small part of it.

The Chairman: So if you are interested in a sustained initiative that will increase people's likelihood of sending in their tax return you would not do it through this particular intervention because it gives a one-off spike and then probably fades: is that right?

Owain Service: We do not have the evidence to answer that, but what we do have is the ability to say that it should, of course, be part of your overall strategy but it should not be the only thing you do.

Q3 The Chairman: Before I hand on to Baroness Hilton to pick up the questioning, I have one further point. I remember we were interested in—and it was early days—the magnitude of the effects as well as the fact that the effects may be statistically significant. I know, for example, not necessarily from the Behavioural Insights Team's work but there is an academic at Oxford called Bob Metcalfe, who has now gone to Chicago, who had been looking at behavioural interventions to get people to cut their energy bills, energy use, by essentially a social norming approach. To say the person living in your kind of house typically uses 10% less than you or 10% more. The trials from the States have shown that this does result in a slight change in people's energy use. It is statistically significant but the percentage change is quite small, maybe 5%. So I just to want to ask you: when you are getting these effects, are they big or small effects in magnitude terms?

Owain Service: It really depends on what you consider to be big. Personally I think that a 5% reduction in energy use by informing somebody that their energy use is greater than an average household is pretty big. It is more or less a cost-free intervention and to achieve the effect using financial incentives would probably cost you many hundreds of millions of pounds. I would not dismiss some of the interventions on the grounds that they appear small when you compare them with how much it might cost to use alternatives. It is a similar situation with the work that we have been doing with HMRC. The effect sizes do not end up enabling you to suddenly go from, say, a 50% response rate to a 100% response rate but they will often take you from a 50% response rate to a 55% or a 60% response rate, which equates to literally hundreds of millions of pounds of revenue brought forward to the Exchequer. But those are in relation to those kinds of one-off decisions and we would never be in a position to say that the introduction of behavioural insights is going to be the only thing, or should be the only thing, that the Government do in order to tackle a particular problem—which goes back to my opening remarks.

But in lots of other areas the effect sizes are very large indeed. Probably the best example of this at the moment is around automatically enrolling people into company pension plans. So the Government introduced this in October 2012, as you know. We now have the initial research back from the largest employers that shows that the percentage of people enrolled on to workplace pension plans with large employers has gone from about 61% to 83%.

The Chairman: This is with auto-enrolment—setting the default as enrol?

Owain Service: Yes, changing the default to an opt-out rather than an opt-in. So we would not say that there are uniform effects in different areas; we would say that the context matters enormously and the reason that we advocate so strongly the use of control trials is that what works in one particular area may not work in another, and something that has a very strong effect in one area might have a smaller effect or a larger effect in another.

The Chairman: Thank you very much. Baroness Hilton.

Q4 Baroness Hilton of Eggardon: You mentioned our concerns about the balance between regulatory and non-regulatory measures. We were particularly concerned—this is my memory—about the need to regulate perhaps in the field where you are dealing with big business rather than with government departments: the supermarkets and the food manufacturers, for instance. In our concerns about obesity we felt that regulation might be more useful than a non-regulatory approach. Have the Government shifted at all in this respect or not? They were very opposed to any form of regulation.

Owain Service: In some respects it is probably worth me saying that I am no longer a member of the Civil Service so it is difficult for me to speak on behalf of government. I know that you are talking to officials from the Department of Health next week and to Oliver Letwin, so it might be best to put those questions to them. Personally, I think that the approach has to be a balance between thinking about where the use of nudges—or what we call behavioural insights, which in some respects is a broader term—can be appropriate and effective in conjunction with where we can think about regulatory and other levers.

The way in which we would typically approach any given problem is to ask why people behave in the way that they do in a particular area and what are the things that we might be able to do that might encourage somebody to make better choices for themselves and, if you are working for the Government, for the achievement of government objectives as well.

I am sorry—that is probably not quite the precise answer that you were after.

Baroness Hilton of Eggardon: Do you have any role in looking at the results of regulation at all and monitoring the outcomes in relation to regulation?

Owain Service: Not in monitoring the outcomes, but a typical way in which we would get involved in a policy is if a Minister or a senior official asks us to look at a particular area. If we were to do that, we would apply the approach that we apply in pretty much any area, which is to start by being as clear as we can in terms of what the objectives are. Secondly, we try to understand the context of the policy and we do that using what we call semi-ethnographic techniques. We try to immerse ourselves in the particular policy area. We have done a lot of work in jobcentres, for example, and there are members of the team who will be actively working in jobcentres. Thirdly, we then draw on ideas from the behavioural sciences, often in collaboration with academics in the field. Fourthly, wherever possible we try to test and trial new interventions to see whether or not they work. That is how we would approach any given area if we were asked to examine it.

Baroness Hilton of Eggardon: Regulation may have a direct effect but it might also act as a nudge to people's perception of what is acceptable or not and therefore might change behaviour in that sort of way as well—so you do not have any role in looking at the effects of the government policy directly in that sense.

Owain Service: We do where there is an existing government policy that sets the context for the existing interventions and therefore sets the parameters of how we might introduce something differently in order to test whether or not it works more or less effectively. Just going back to your last point around regulation itself potentially being a nudge, in many respects you are right, and that relates to the way in which we ourselves think. It is important for us to be seen to be saying that behavioural insight is not just about introducing non-regulatory nudges or thinking about financial incentives, for example, but it is thinking about how, if you are going to introduce a regulation or you are going to introduce a financial incentive, that will result in individuals changing their behaviour. For us that is a completely legitimate area of inquiry.

Baroness Hilton of Eggardon: One of our areas of particular study was the epidemic in obesity and diabetes, where we felt that government policy perhaps should be more regulatory. Have you been asked to look at attempting to change behaviour in those fields on a non-regulatory basis? Is that one of the areas of study that you are involved in?

Owain Service: In some respects we are asked to look at every area of government policy and we have discussions with departments all the time about areas that they are most interested in. It would be strange in many respects if we had not had a conversation around this particular area. I think you can look at it in two ways. One is what the literature says in terms of what works. In this area it is just as important to look at the literature in terms of what causes the problems in the first place, and I think there is a growing degree of evidence that shows that behavioural-science studies can really inform government policy in areas such as obesity.

There is a growing range of studies showing that individuals are to some extent unthinking eaters, if you like; we respond to the food environment that we are placed in. Increasingly we have been exposed to much more food over the past 30 years and this is obviously having an effect upon behaviours. Some of the most interesting studies show that individuals tend to be unaware of how much food they have consumed. There is a quite interesting experiment that shows the impact of refilling somebody's soup bowl without them knowing, which results in an almost doubling of the consumption of soup. Similarly, if you double the portion size that you give to an individual it tends to significantly increase the amount that they eat. These kinds of studies are really important for individuals looking at these areas in government policy to look at, to consider and to reflect upon when designing interventions that might support new initiatives.

Baroness Hilton of Eggardon: Okay, thank you very much.

Q5 The Chairman: Perhaps I can just pick up on a couple of points. Baroness Hilton asked you about the role of the Behavioural Insights Team in relation to obesity and you gave an answer to that. The other focal example we studied was modal shift in transport; is that is an area you have become involved in at all?

Owain Service: We have not done any work directly with the Department for Transport on modal shift so it is not an area that I am involved in directly with members of the team. You are obviously talking to officials from the department shortly so no doubt they will be able to fill in more detail. We have done work with agencies of the Department for Transport. I mentioned the work we have been doing on organ donation with the DVLA. We have also been doing work with the DVLA around encouraging people to pay their fines more quickly when they fail to tax their vehicle, but not around modal shift. One thing that is important to bear in mind from 2010 is that the Behavioural Insights Team was, and still is—although it is bigger than it once was—a relatively small team and we still have a steering board that is chaired by Jeremy Heywood, who sets the team's priorities. But it is a complex task to prioritise what is effectively a relatively small resource and so we have tended to focus on areas like jobs, growth and revenue collection.

The Chairman: Just before I turn to Lord Selborne, I have one other point. You referred earlier to—and gave us some examples of—the use of behavioural insights in effectively changing things in a way that is favourable to government policy. Is there any kind of broader inventory of that work across government? We did in our previous report recommend that there should be a review of the current mechanism for sharing knowledge about behaviour change among government departments with a view to introducing a more streamlined structure and that there should be an inventory of behaviours to establish an archive of behaviour-change interventions. I wondered if any of that is going on, and whether you are part of a broader initiative to archive successes and failures.

Owain Service: Since your report was published we have been very clear that we will always seek to publish on our website the findings of any work that we have done. So all of our reports are now on the website and we have recently also published this paper here. It is the closest we have to an inventory, but it is also a framework for how officials in government might apply ideas from behavioural insights. It is called the EAST framework and is a simpler version of the MINDSPACE report, which I know you read in relation to your initial report. We produced it mainly because we have learnt a lot over the past few years and we have also learnt a lot about the best ways of encouraging the uptake of some of these ideas across government. So it is a compendium of our recent findings but also a framework for how they might be applied in other areas.

The Chairman: But as far as you are aware there is not a formal inventory across the whole of government?

Owain Service: There is not a list of every single intervention that has ever been taken in the past three and a half years, no.

The Chairman: Again, just very briefly before I hand over to Lord Selborne, you have mentioned only success stories so far. Are there any of your interventions that have been complete failures?

Owain Service: I would say that there have not been any complete failures; what there have been are areas where we have been disappointed in the results, and areas where we still need to do more. In some respects I think that that characterises the attitude and general view of the Behavioural Insights Team in general; we are always trying to push the boundaries.

I will give you a couple of examples. The organ donation work that I mentioned tested seven different variations of messages against the control, which was the standard way of encouraging people to join the organ donor register. Six of them were very successful; any one of them would have added tens of thousands of individuals to the organ donor register if we had gone with it. One of the variations in messages actually resulted in a drop in organ donor sign-up rates. It is a really interesting finding that we are seeing in several areas that we have been working on. I think we need to bottom it out before we come to any concrete conclusions but effectively that message was a social norm message. It said, "Every day thousands of people join the organ donor register" and it included a picture of lots of smiling people that you might be familiar with if you have ever read any public service White Paper, Green Paper—just a collection of people.

That was one of the messages that we tested. It was tested against a message without that picture, so we can control for the picture itself, and it was the picture that resulted in a decrease in sign-up rates. Our view is that we think there are lots of examples of areas where messaging looks like it is becoming a bit too gimmicky. It starts to look a bit too much like social marketing and it can have the perverse effect of reducing response rates. We are seeing that in several different areas.

The Chairman: Thank you. Lord Selborne.

Q6 Earl of Selborne: Before I ask the question I had in mind to ask, could I just follow up that point? You are talking about evaluations. One of the observations we made in the earlier report was to say a lot more could and should be done to improve the evaluation of interventions. We pointed out that it is not just good practice but would help to build a body of research that could inform effective policy targeting. How do you think these evaluations have progressed since we wrote that?

Owain Service: I personally think they have progressed immeasurably. The sort of thing I mentioned before in terms of the use of randomised control trials has not just been important for the Behavioural Insights Team: it is now considered to be a tool that individuals involved in any policy area might wish to put in place.

I mentioned some of the international interest that the UK Government and more specifically the Behavioural Insights Team have generated. A lot of that has been around the pioneering use of randomised controlled trials for evaluation purposes. It is one of the reasons that we now have very strong links with Harvard, which genuinely sees the UK Government as pioneers in this area—in my view rightly so, because it has not been done before. We have now run more randomised controlled trials through behavioural interventions than probably the UK Government have in their entire history, in areas where I think you can make parallel comments with the use of randomised controlled trials in medicine. They are now considered the norm to test the efficacy of new drugs or practices, and I hope that one day the same will be considered to be true of public policy as well.

We are still in the foothills, I think. There is a lot more to be done, but I think the progress that has been made since 2011 has been considerable.

Earl of Selborne: Who will help you in this country to climb the foothills? Are you expecting academia to play a larger role?

Owain Service: Yes, absolutely. We have done a number of things since 2010 and 2011 to strengthen our capacity in this area. One thing that we have done is establish an academic advisory panel, which has individuals both from the US and the UK. You met some of them during your previous inquiry: people like Theresa Marteau from Cambridge, Nick Chater from Warwick, Peter Tufano who is the dean of the Oxford Business School, and Richard Thaler who is one of our academic advisers and the co-author of *Nudge*. They shadow the work of the team and offer critical feedback and advice.

Just as important has been the establishment of a research fellowship programme within the Behavioural Insights Team. We take on third-year PhD students who have an interest in a particular area and they are able then to use their expertise in co-operation with people on the Behavioural Insights Team who have typically already been working on big programmes within government. It is the blending of the academic input and the policy that enables us to run large-scale trials quickly and effectively—often more quickly and effectively than you can if you are looking at something from a purely academic perspective.

Q7 Earl of Selborne: Perhaps I can move on to the question I was originally meant to ask. You said that you are not a civil servant—or are no longer a civil servant.

Owain Service: No.

Earl of Selborne: Could you just run through what has happened to the ownership of BIT? Who do you belong to? What is your relationship with government?

Owain Service: One of the things that has happened since 2010 has been that, over time, interest in the kind of work that we have been doing has grown and, probably by 2012 or 2013, people were coming to us and saying, “Could you help us think about how we can apply ideas from behavioural science to our own policy area?” or, “Could you help us run a randomised controlled trial?” The answer would often be, “No, we cannot, because we do not have the capacity to do that”. We would have discussions within the Cabinet Office around bringing in more capacity, but it was difficult in a government context to do that and, a lot of the time, inappropriate as well. Some of those requests came from foreign Governments as well as UK government departments.

The thinking was that we would be able to create a new business model that would enable us to continue doing the work that we do for the UK Government while also being able to respond to demand across the UK public sector, with foreign Governments and also with private or voluntary sector organisations, as long as there is an underlying social purpose to the work that is being requested. Over the course of the past 12 months we have thought a lot about what that model would look like, and in February we put in place the new model. Effectively, what it looks like is that we are now a social-purpose company. We are partly owned by the Cabinet Office. We are partly owned by Nesta, the charitable foundation that looks at spreading innovation within the UK. Nesta won an extensive competition to be our joint venture partner. We are also partly owned by the team itself. We are a mutual joint venture in that respect. We are owned by ourselves as well as by the Government and by Nesta. Does that fully answer your question?

Earl of Selborne: I think it does. I think it is a bit mysterious, but I just want to be sure that it works.

Owain Service: I think it does work, in that we are not only continuing a big programme of work for the Cabinet Office but are also able to respond to the significant demand that exists for applying ideas from behavioural sciences to new areas of policy.

To give you a couple of examples, we are working with the Government of New South Wales in Australia, helping them build a behavioural insights capacity. We are doing a programme of work for UNDP, which is interested in ideas from Behavioural Insights to help it achieve its objectives in countries where it is working, thinking about projects from a rigorous testing and trialling perspective.

The same goes for the World Bank; for government departments that are interested in going further than we would be able to go under our Cabinet Office programme of work alone; and for a growing range of local authorities which are interested in establishing their own capabilities but do not necessarily have the in-house expertise. The model itself has been working very well and enables us to do everything that we were doing before but more of it, while retaining the expertise that we have. Also, over time, we will be able to give the taxpayer back what will ultimately be a return on their investment.

Earl of Selborne: I seem to remember that when this change was mooted—and, perhaps inevitably, change is always treated with some suspicion—there were some concerns that you were going to be marginalised; you were not part of government anymore. Do you feel that those concerns have not been justified?

Owain Service: I do not think so, not at all. In some respects the reverse might be the case, because one of the key drivers of the new model was that it would enable us to maintain key members of staff. As somebody who has worked in government for a long time, having started as a fast-streamer in the Cabinet Office, I know that you often end up with people on your team who are poached by other government departments who see an individual who is working for you as an excellent resource for them; so 18 months or two years is enough of a cycle for that individual to stay with you before they go on to another department.

One of the interesting things about the model that we have put in place is that we have been able to maintain excellent and key members of staff who have developed considerable expertise in their own policy areas and see this as a long-term endeavour. For me, perhaps more than anything else, that has been the most positive thing to come out of the whole process, but it is also great for the UK Government because it means that they will continue to have access to these individuals who have been able to develop their expertise in different policy areas.

If you are talking to Oliver Letwin, I suggest you ask him the question directly. We continue to have our priorities set by a steering board that is chaired by Jeremy Heywood, who continues to be as passionate as he ever was about the area and the problem that we have always had and has been trying to work out which areas to focus on as opposed to trying to think of how to use up the time that we have at our disposal.

Q8 Lord Dixon-Smith: You will have to excuse me, but I was not part of the original inquiry, so I am climbing up a cliff face this afternoon. I would like to hear a little bit more about the relationship between the What Works centres, which presumably are what you might call the executive arm doing particular tasks, and how they relate to the Behavioural Insights Team.

Then I want you to just imagine that I am number 3 under Oliver Letwin for a moment. As always with government today, all expenditure is under review. My question to you would then be: what are we getting for our money as taxpayers? Can you demonstrate some physical benefits in cash terms that show that you are producing the goods? Clearly, when you do work for foreign establishments you get fee income for that. That should be a very good way of illustrating one aspect of it, but, within this country in particular, it would be interesting to know whether you have ever costed the gains that clearly are beginning to come through.

Owain Service: In relation to the What Works centres, there is no direct link. In some respects it is another area that has helped provide a response to your initial inquiry. What Works centres are there to help corral the evidence base in different areas and put that information in the hands of individuals commissioning services, but they are all independent organisations. They are not part of government, although a lot of their funding comes through departments. I suspect that the majority of their funding is through the ESRC, but there is no direct connection with the team except for the fact that the national adviser on What Works is David Halpern, who is the chief executive of the Behavioural Insights Team. In that role he chairs the What Works council, which is mainly there to ensure that lessons learnt from each of these independent organisations can be spread.

I hope the What Works centres are another example of where the Government are thinking about the evidence base. More importantly than that in some respects is the work that the What Works centres will do in terms of giving individuals such as head teachers or police commissioners who commission services and decide how to spend discrete sums of money, easy access to information about whether, for example, teaching assistants are more cost-effective than reducing class sizes. Does that answer your question in relation to what we were talking about?

Lord Dixon-Smith: It is a pretty good start.

Owain Service: In terms of expenditure, you are right, but there are basically two ways of looking at this. One will be: will we generate a return to the taxpayer in pure cash terms? We are a social purpose company, but we will hopefully generate a profit that will ultimately come back to the taxpayer. I suspect that if you were to ask Oliver Letwin about this he would point to the fact that our work is likely to have a much more substantial impact on the Treasury's coffers than the direct cash benefits of our programme.

I mentioned the work that we have been doing on tax. In just one area of tax, HMRC estimates that the trials that we have been running have helped bring forward £200 million of revenue. I think that in pretty much every area we have been working on we can point to these kinds of benefits, whether they are in cash, in lives saved or in the number of people who are now joining the organ donor register who were not previously on it. That is another consideration. We do not see the value that we add purely in terms of the generation of revenue for the Exchequer but in terms of the other objectives that the Government have.

Q9 The Chairman: On the question about the What Works centres, they are obviously a much more recent initiative. I think it is probably about a year since they were launched.

Owain Service: Yes.

The Chairman: Do we have any examples or are you aware of any examples of evaluations they have done that perhaps are now beginning to feed back into thinking in different government departments?

Owain Service: I should probably say that I do not have a direct connection to the What Works centres myself, but it is an area that Oliver Letwin has been incredibly interested in. Again, it might be that you will want to ask him about this more than me. There are now six centres, although one of them is NICE, which obviously has been operating for a long time. But probably the centre that has been around longest and has the strongest amount of evaluation to date that commissioning services are able to draw upon is the Education Endowment Foundation, which has a very large fund provided in part by money from the Department for Education. It is now running large-scale controlled trials in schools across the country that test the efficacy and the effectiveness of all kinds of interventions. I suspect and I hope that over time head teachers and individuals in local authorities with an education perspective will increasingly use the evidence that it is generating and collating to inform their decisions. As I say, this is not an area that I consider to be at the heart of what I do within the Behavioural Insights Team, but I would be happy to write you a note to put you in touch with some people who will be able to address that.

The Chairman: That would be useful.

Owain Service: One thing you may know is that the Cabinet Office has a team that is devoted to What Works centres and provides the What Works council with secretariat capacity.

The Chairman: Just before closing, perhaps I could go back and clarify the answer you gave to a question that Baroness Hilton asked about your involvement in the whole issue of obesity. You said that it was becoming apparent that there were insights from behavioural science into what affects people's eating habits. One example is portion size. If you give people a bigger bowl of soup, they eat more soup. If you give them a smaller bowl of soup, they eat less soup. That is all very helpful and interesting to know, but the question is how that could be translated into practical policy implementation. I just want to be clear in my mind and for the record on whether the Behavioural Insights Team has had any locus in thinking about how to translate behavioural insights into practical policy recommendations or implementation in relation to obesity.

Owain Service: As I said, we have been involved in discussions with the Department of Health in relation to almost all public health issues, including obesity. We have not got to a stage where we have had a conversation that has led to us putting in place a new intervention, but I know that you are talking to officials in the Department of Health next week.

The Chairman: Yes. Obviously we will ask them, but I just wondered: from your perspective, is the short answer "no"?

Owain Service: The short answer is that we have not done any interventions and put those interventions in place. We have done thinking in this area, as you would expect us to have done, but have not come to any policy conclusions in collaboration with the Department of Health as of yet.

The Chairman: Okay, thank you very much. Are there any other questions from members of the Committee? In that case, I would like to thank you very much indeed for your very helpful and full responses to our questions. As you know, you will receive a draft of the transcript in the next week or slightly longer, and there will be an opportunity to correct it and make minor editorial changes.

You very kindly offered to send us some written material, listing the successes and any less than successful initiatives. You referred to the issue of using the images and how that seemed not to have had a beneficial effect, and even possibly a slightly detrimental effect. It would be useful for us to have that, and perhaps you could also send us a copy of the booklet that you held up.

Owain Service: Definitely, yes.

The Chairman: Thank you very much indeed.

Behavioural Insights Team – Supplementary written evidence

This supplementary memorandum is a letter from Owain Service, Managing Director, Behavioural Insights Team.

At the recent inquiry follow-up of the Select Committee on Science and Technology relating to behaviour change, you asked me to give you five examples of recent success stories from the Behavioural Insights Team. These are listed below.

(1) **Pioneering the use of Randomised Controlled Trials.** One of the greatest achievements of the Behavioural Insights Team has been to help spread the use of rigorous evaluation, in particular through the use of randomised controlled trials. In the Committee's original inquiry report, you called for 'the creation of a concise document for policy makers' relating to evaluation of behaviour change interventions. In June 2012, we published *Test, Learn, Adapt: Developing Public Policy with Randomised Controlled Trials.* This paper provides a simple-to-use framework which policymakers can use to run randomised controlled trials (RCTs). It won the Institute for Government's 'inspiration for government' award.[1] It has helped to mainstream the use of RCTs across government policy – for example, we are supporting the Department for Business, Innovation, and Skills to run one of the biggest (by revenue) RCTs ever conducted in the developed world in relation to their Growth Vouchers programme.[2]

(2) **Tax work with HMRC.** Together with a large number of officials from HMRC, the Behavioural Insights Team has pioneered the use of RCTs to understand which messages are most effective at improving tax collection rates in letters to UK citizens. In one area of HMRC alone (that relating to debt management and banking), it is estimated that these insights have helped bring forward more than £200million of tax revenues over a 12 month period. This work was recognised with a Civil Service Award for innovative delivery (awarded jointly to HMRC and the Behavioural Insights Team).

(3) **Charitable Giving.** *Applying Behavioural Insights to Charitable Giving.* This is one of the latest publications in our growing 'applying behavioural insights…' series. It sets out the results from numerous RCTs with charities which demonstrate different ways of increasing charitable donations.[3] The trials alone have already helped raise millions of pounds in charitable donations, and the work on legacy giving won an Institute of Fundraising award.

(4) **Organ Donations.** The Behavioural Insights Team worked with the NHS, DVLA, Government Digital Service and the Department of Health to run the largest RCT ever conducted in the public sector. It showed how some messages (e.g. using reciprocity) work much more effectively than others (e.g. using social norms with a particular

[1] http://www.behaviouralinsights.co.uk/sites/default/files/TLA-1906126.pdf
[2] http://www.behaviouralinsights.co.uk/publications/growth-vouchers
[3] http://www.behaviouralinsights.co.uk/sites/default/files/BIT_Charitable_Giving_Paper%20%281%29.pdf

visual image) in encouraging people to join the organ donor register. Over a typical year, when the most effective message is used, it will add almost 100,000 extra organ donor registrants in a year relative to the control.[4]

(5) **Supporting the Development of Policy with New Frameworks.** In your original Inquiry report, you observed that there was a need for a more 'accessible, multi-disciplinary framework for designing behaviour change interventions' and such a document be produced. We agreed that there was a need for a simplified framework, which is why earlier this year we published *EAST: four simple ways to apply behavioural insights.* This paper sets out a framework which policymakers can use to apply behavioural insights to any given policy area.[5]

You also asked whether the team had published any of its findings in academic journals. I explained that, while this was not a priority for the team, it is something which members of the team have done alongside their core project work. These papers take time to appear, as they need to be submitted to journals and be peer reviewed, but several papers are now in the pipeline. Some have already been published, including:

(1) Michael Hallsworth & John List & Robert Metcalfe & Ivo Vlaev, 2014. "The Behavioralist As Tax Collector: Using Natural Field Experiments to Enhance Tax Compliance," NBER Working Papers 20007

(2) Laura C. Haynes & Donald P. Green & Rory Gallagher & Peter John & David J. Torgerson, 2013. "Collection of Delinquent Fines: An Adaptive Randomized Trial to Assess the Effectiveness of Alternative Text Messages," Journal of Policy Analysis and Management.

15 June 2014

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[4] http://www.behaviouralinsights.co.uk/sites/default/files/Applying_Behavioural_Insights_to_Organ_Donation_report.pdf
[5] *http://www.behaviouralinsights.co.uk/sites/default/files/BIT%20Publication%20EAST_FA_WEB.pdf*

Department of Health, Professor Theresa Marteau, University of Cambridge, and the National Institute for Health and Care Excellence (NICE) – Oral evidence (QQ 24-43)

Evidence Session No. 3 *Heard in Public* *Questions 24 - 43*

TUESDAY 13 MAY 2014

Members present

Lord Krebs (Chairman)
Lord Dixon-Smith
Baroness Hilton of Eggardon
Lord Patel
Baroness Perry of Southwark
Lord Peston
Lord Rees of Ludlow
Earl of Selborne
Lord Willis of Knaresborough

Examination of Witnesses

Jamie Rentoul, Director of Health and Wellbeing, Department of Health, **Richard Sangster**, Team Leader, Obesity and Cross-Cutting Health and Wellbeing Policy, Department of Health, **Professor Theresa Marteau**, Director, Behaviour and Health Research Unit, University of Cambridge, and **Professor Mike Kelly**, Director of the Centre of Public Health, National Institute for Health and Care Excellence (NICE)

Q24 The Chairman: I should like to welcome our four witnesses and in a moment I will invite you to introduce yourselves for the record. If you wish to make a brief opening statement, please feel free to do so. Please keep it brief because we have a number of questions to get through and we want to allow plenty of time for you to respond to those questions. Perhaps I may invite Richard Sangster to start.

Richard Sangster: Good morning. I am Richard Sangster, Team Leader for Obesity and Cross-cutting Health and Wellbeing policy at the Department of Health.

Jamie Rentoul: I am Jamie Rentoul, Director of Health and Wellbeing at the Department of Health. We were not going to make an opening statement so as to get into the discussion and questions.

Professor Theresa Marteau: I am Theresa Marteau, Director of the Behaviour and Health Research Unit at the University of Cambridge. I want to make a couple of observations that may or may not come up. I want to comment on where there has been some progress, which was on recommendation 8.2 regarding the commissioning of more research on population-level intervention. At the moment, there is a call from the National Institute of Health Research on choice architecture interventions, which is very good to see. There are two recommendations where I am concerned that there has been a lack of progress. One is recommendation 8.6, which concerns the appointment of a chief social scientist at the earliest opportunity. I have not seen any progress on that. Nor am I aware of progress on recommendation 8.13, regarding an archive of behaviour change interventions.

Professor Mike Kelly: Good morning. I am Professor Mike Kelly, Director of the Centre of Public Health at NICE. I led on the development of the original NICE public health guidance on behaviour change and the recent update.

Q25 The Chairman: As you are all aware—I know that at least two of our witnesses appeared in the previous inquiry that we held on this public—we published a report in 2011, nearly three years ago, on behaviour change. We were interested in different routes to achieving population-level behaviour change. One of our two focal examples was obesity. What we are doing in this session and the associated evidence sessions is taking a short look to see what has happened in the intervening three years. We made a number of recommendations and the Government made a number of responses but we are keen to see how things have unfolded since then.

To kick off, I should like to get some facts on the table. First, what progress—I am asking Department of Health officials in the first instance—has been made in implementing policies to reduce obesity since our report? What is the evidence that the policies have been effective? How have obesity levels changed in those intervening few years? We are particularly interested in what is happening with intervention at the population level.

Jamie Rentoul: I shall start on that. I think the Committee's report was published in July 2011. The Government call to action on Obesity was published in October 2011 set out the overall government strategy and the objective of achieving a sustained reduction in obesity levels among adults and children by 2020. The most recent data on obesity levels suggest that the rising levels of the past 20 years or so appear to be stabilising but it is still relatively early in terms of a trend over time. Among children there has been a small reduction. Around 14% of children, which we define as two to 15 year-olds, were obese in 2012, which is down from 16% in 2011. Some 28% were either overweight or obese, which was down from 30% in 2011.

It is the lowest level for a number of years but it is still early stages in terms of whether we are getting on a sustained downward trend for children and whether we then can turn the level among adults from looking to stabilise to having a downward trend. I would also highlight within the trends that people within lower socioeconomic groups are likely to be more obese that the rest of the population, although it is an issue across all groups. Even at current levels, the health impact is very significant.

In terms of progress in taking forward policy, the recommendation from this Committee was to see behaviour change as part of a package of policy intervention measures and not to put all your eggs in that basket, to paraphrase. We see the government strategy as covering the whole range of actions. Our actions fall under a set of things to do with empowering individuals; for instance, the Chief Medical Officer's guidance on physical activity, the information and advice to parents and children, for example, through Change4Life, and giving people feedback through the national child measurement programme. A second chunk of action is around ensuring that partners play their part. A key bit of the strategy for the Government was around the Responsibility Deal and looking for industry to step up to enable people to adopt a healthier diet, and provide better information to consumers, better content of food, the promotion of healthier food choices and the labelling of food and nutritional content.

There is a set of actions around a change to the public health system, giving local government the lead role in driving improvement with support from Public Health England in terms of expert advice and best practice and a set of actions around NHS support on obesity—GPs and other professionals making every contact count—delivery of the healthcheck programme and the quality and outcomes framework providing incentives for proper identification of people with obesity and signposting them to services. There is another set of actions around national leadership across government, where needed. Examples would include the school food plan, the work to put cooking into the curriculum from September and support to children's physical activity and sport, and the *Moving More, Living More* strategy which was published earlier this year. The ASA is doing a review of the advertising and marketing of foods.

Q26 The Chairman: That is a very long list of actions and I am sure that you could carry on for much longer. I should like to ask about evaluation. I am just thinking of the two peer-reviewed evaluations of the Change4Life programme. One said that the Change4Life programme in this sample had little impact on the attitudes or behaviour. Another said that it suffered from, "poor initial and on-going communication … Overall, intervention … is unlikely to have had a substantial or long-term effect on customers' consumption of fruit and vegetables". In relation to another programme that you mentioned about promotion in advertising, the independent review that was commissioned said that, "current codes and regulation do not fully address the integrated nature of marketing to children across many platforms using a variety of techniques". That was from the National Heart Forum. I am hearing a long list of things that you are doing but at the same time I am hearing that the independent evaluation of those things suggests that they are not having much effect. What is your take on that? Do you disagree with the National Heart Forum in its evaluation and the other independent peer-reviewed evaluations or do you accept that these things are not working?

Jamie Rentoul: The view is that Change4Life has been pretty successful.

The Chairman: So were these two peer-reviewed papers wrong?

Jamie Rentoul: It is a question of the time some of these take to have effect. There is an information, education and awareness issue and a willingness to change behaviour issue.

The Chairman: Do you have more recent peer-reviewed studies that show that Change4Life is working?

Jamie Rentoul: Public Health England will publish a review of Change4Life five years on towards the end of this month or next month.

The Chairman: Will that be a peer-reviewed study?

Jamie Rentoul: I will need to check whether it will be peer-reviewed before it is published.

Q27 The Chairman: Perhaps I could ask Professor Marteau for her response to the question I posed at the beginning about what is happening to the policy intervention and the evidence of their effectiveness.

Professor Theresa Marteau: I just want to pick up on your questioning about Change4Life. I have probably read the same papers and I am thinking about the Helen Croker paper, which was published in 2012. It was a cluster randomised controlled trial involving 40 primary schools. Is that the one that you are alluding to? I would be interested to know what has changed that would lead us to be more optimistic about the results. This involved exposing around 2,000 families to Change4Life materials and 2,000 families not being exposed. While awareness increased—it was already quite high—the concern was that there was no change in attitudes or in behaviour amongst those exposed to the Change4Life materials. Critically, the level of engagement was very low. Only 5% of the families sent back their completed questionnaires for feedback. In the discussion—and I would endorse this—the authors concern was that the Change4Life intervention was atheoretical and not based on the evidence. I find the results unsurprising. It probably goes back to my concern about the lack of a government appointment of a chief social scientist. I do not think that that would necessarily have saved this but it speaks to good will on the part of the department wanting to make a difference but without the expertise to do so.

The Chairman: From your knowledge, would you concur with the conclusions of that peer-reviewed study with the cluster randomised trial. Has there been any evidence that would change one's view since then?

Professor Theresa Marteau: I am not aware of any.

The Chairman: Perhaps Mr Rentoul would like to respond.

Jamie Rentoul: It comes back to what I was saying about the expected lead time and lag time for some of these things around awareness and behaviour change. If you look at Public Health England's data about uptake on some of the Change4Life activities, Smart Swaps and so on, there is a high level of engagement and some behaviour changes of people doing, for example, Smart Swaps.

The Chairman: Is this published analysis? I can go only on what I have got as independent peer-review published analysis.

Jamie Rentoul: As I have said, Public Health England will publish its version. I will check whether it is to be peer-reviewed before it comes out.

The Chairman: That would be helpful.

Q28 Lord Willis of Knaresborough: Could I just pick up about the Chief Medical Officer of health and her 2014 report, which was absolutely damming about current policy? It basically said that apart from the upper-middle classes, who are much more likely to be responsive to the sorts of campaigns which have been running because they read them, take notice of them and can afford them, in the most deprived areas the levels of obesity were getting worse. She regarded it as an epidemic that was hitting society. Where does she get her information or did she make it up as well?

Jamie Rentoul: In terms of the comments that she made about the normalisation of being overweight, the figures in terms of the rising tide over the past 20 years lead you to that view. There has been a stabilisation and a small reduction for children. It is a problem particularly in the lower socioeconomic groups. The Change4Life work has a strong approach to thinking about the different segments of society and the target audiences, with a particularly strong focus on the C2, D and E classifications of these things. It is particularly trying to get at that target group for the very reasons that you are saying.

Lord Willis of Knaresborough: What concerns me about current policy is that there seem to be an awful lot of words and reviews, and precious little hard action in doing anything. Do you share that or am I just old and grumpy?

Jamie Rentoul: There is a lot of hard action, such as the school food plan. Some food labelling is coming, rather than that it was done three years ago and we can see the results now. Given the levels of obesity that we see, still more has to be done. I would not disagree with that and neither would Ministers.

Lord Willis of Knaresborough: Could I encourage you to go to Iceland or to some of the cheap frozen food places and have a look at obese people buying products without ever looking at what is on the label other than the price.

Q29 The Chairman: I want to ask Professor Kelly something in a moment but to pick up on the point that this is still early days. These programmes have been described and implemented. The more recent evaluation of Change4Life may alter the picture from the 2012 evaluation. We watch and wait with interest. What is your timescale for deciding whether this package of intervention will work? In another three years, – will you still be saying that it is still early days and that you are waiting to see what happens? Is there a point in time when DH will say that we are not getting a grip on the issue with these polices, we have to think again? If so, when would that point be?

Jamie Rentoul: The slightly formal answer is that we have not set a review date for the end of the strategy. You would expect any incoming Administration post-election to take stock of what has been achieved and the lessons going forward.

The Chairman: It is surprising that there has not been a review date set. I would have thought that normally when one lays out a strategy, part of it is to say, "We will review this in one, three or five years' time and if we are off-target we will do something different". DH did not do that.

Jamie Rentoul: No, certain things are in train which may lead you to a review of the evidence changes and so on. For example, the advisory committee on nutrition is looking at carbohydrates and sugars and will report later this year. That will be a point when Ministers look at what they are saying against the progress that has been made and consider what further action is to be taken. Change4Life does a business plan for the next three years. It provides a view and success measures for that. It stays under review and Ministers will write a remit letter about their expectations going forward. Many of those things stay under regular review by Ministers as to the need for further action.

The Chairman: Lord Peston. I just want to ask Professor Kelly one question before I hand over to Lord Selborne.

Q30 Lord Peston: I am just not very clear. Perhaps I may make a comparison to obesity. We know that too much salt is bad for you but I cannot bear unsalted food so I take the rational decision. I would rather take the health risk than have unsalted food. Within the total group of people we are talking about here, do we know how many choose to be obese because that is how they want to be? Is that a question that anyone yet can answer?

Professor Theresa Marteau: It is a really good question. The only data—if I can even call them that—that I have been able to find, although I could look at the issue again, came from a survey by Cancer Research UK. Around 70% of those who are overweight or obese would prefer not to be in that state.

Lord Peston: They would prefer not to be but can they do anything about it?

Professor Theresa Marteau: That is another question but the majority would prefer not to be like that.

Baroness Perry of Southwark: That leaves 30% who are happy.

Professor Theresa Marteau: Yes, but the majority prefer not to be like that. It is not dissimilar to the rate for those who smoke. The difference occurs with alcohol; only a minority wish to change the amount of alcohol that they consume.

Q31 The Chairman: Thank you. Perhaps I may address Professor Mike Kelly as regards another programme that we looked at—weight management services, including the health trainers programme. We recommended that NICE should compile a list of approved weight management services that adhere to its best practice guidelines. Where has NICE got to in looking at those programmes?

Professor Mike Kelly: That work has been done as part of the guidance that will be launched on 27 May on weight management services for adults. We have examined the different commercial and National Health Service programmes. The results that we will publish indicate those that will pass muster in terms of the criteria which were established in the original clinical guideline 43. We are also recommending in that guidance that Public Health England establishes a register which will keep it up to date. The guidance that we will produce in a couple of weeks obviously is a review of the trials as they stand at the moment and the sorts of interventions that particular companies are doing at the present time. We know and recognise that they may change over time. New players will come into the field who are doing equally well. Public Health England has acknowledged and agreed that it will take that on. It looks to me that we should have that recommendation in full within a matter of weeks.

The Chairman: Thank you very much. That is very helpful. I should like to hand over to Lord Selborne.

Q32 Earl of Selborne: I should like to follow on from Professor Kelly's observation about the new guidance, which will come out on 27 May and refer to our 2011 report where we reviewed a massive amount of guidance which was available. We concluded that despite a wealth of guidance material, "witnesses observed that none of the guidance provided an accessible, multi-disciplinary framework for designing behaviour change interventions. Furthermore, the sheer quantity of guidance, none of which covered everything and much of which was too detailed, was potentially confusing and unhelpful". It would be helpful if we could hear whether the guidance has been consolidated as we suggested. Clearly, from what has been said, it has been updated. Has there been an attempt to give guidance in a way that is more accessible and more multidisciplinary?

Professor Mike Kelly: We waited until your Committee had reported before we pressed the green light to begin the process of updating the behaviour change guidance that NICE published originally in 2007. The guidance in 2007 consisted of a range of best practice and principles that should guide policy and interventions on the ground. As the first part of that update, which we published in January, we consolidated in just the way you outlined what an intervention at an individual level should look like in terms of being not just a set of principles but a set of evidence-based procedures that should be followed in the establishment of an intervention. We were able to do that because the evidence base had moved on significantly from 2005-06 when we originally reviewed the evidence through to the publication this year. Public health guidance 49, which was published in January, is as good a toolkit for working at the individual level as you could put together and it meets the criticism outlined in that report.

We are going on to the second part of the update of the behaviour change guidance and looking at those factors relating to the sort of policies, regulations, incentives, legislation, mass media and related interventions. We are reviewing the new evidence that has emerged on that since 2007 as the second part of updating the 2007 work. We were very pleased to see the House of Lords report from your Committee because it supported the general direction that we wanted to go in and gave us further incentive to take this whole argument forward. What NICE has to say about behaviour change is not confined to the guidance about behaviour change. A whole series of things have been done in relation to cardiovascular disease, alcohol, misuse prevention and the obesity things which I have already mentioned. Last year, we did one for children and the one on adults will come out in May. There has been lots of stuff on tobacco and physical activity. At the heart of all those things are many examples of interventions related to behaviour changes that are effective. Originally, we recommended that the National Health Service should take this forward but now it is local authorities which will commission these things. To support local authorities in their endeavours, in the past couple of years, we have published a series of local government briefings specifically for local authorities in the language of local authorities to allow them to implement the NICE guidance appropriately. One on the prevention of obesity was the first that we published.

Earl of Selborne: That is a very interesting answer and it is good to hear that things have moved on so fast. Clearly, the new guidance from January onwards is there to influence policymakers. What has been the reaction and has there been a good uptake? Do you see this permeating through to the population at large?

Professor Mike Kelly: From January to May we have seen two things. First, Public Health England picked up the guidance and ran with it. It organised an event for local authorities that took place at the end of January. We published on 2 January. We thought that that was a good moment to do so because people would be thinking about their new year's resolutions. That was followed by a Public Health England event in the latter part of January which was designed specifically for local authorities. In that regard, things happened straight away. Whether we have seen enormous change across the country in the two or three months since then we will evaluate in due course. What is important is that, as your Committee heard several years ago and as we investigated in 2007 and has been reinvestigated since, behaviour change is difficult. One of the big mindsets that needs to change is the notion that if we can only get the message across and if we can only present the right information to people, their behaviour will change. Getting messages across and providing information is part of the picture but all that takes place in a much bigger arena. We tried to pitch the NICE guidance so that policymakers take behaviour change seriously. When I started at the Health Development Agency in 2000, the idea that behaviour change was a critical part of what we should have been thinking about with respect to cardiovascular disease and obesity was not so well entrenched as it is now. We have moved forward in that regard. We now need to demonstrate to policymakers and people working at a local level that there are things that they can do that while they are not common sense are firmly based in science and are likely to yield the best kind of results that they could hope for.

Earl of Selborne: Do you think that local authorities have understood that message?

Professor Mike Kelly: I am quite optimistic about local authorities. One of the great things about them is that they seem to understand their populations far better than the old primary care trusts used to because they were rather remote. When I talk to local authorities, they understand notions of health inequalities very well, regardless of their political complexion. They know their populations and are very willing to engage with the kinds of things which will bring benefits for those populations. I am optimistic. There 180 or so local authorities with which we deal and which have to take note of the guidance. Clearly, that is a communication issue of considerable proportions. Nevertheless, everything that I have seen local authorities do in the past year and a bit has made me feel reasonably optimistic that we will make better progress perhaps than hitherto.

Q33 Lord Willis of Knaresborough: First, may I congratulate them on the advice. Certainly, the local authority I was with on Friday in Leeds and Bradford were very complimentary about the efforts that Health Education England and Public Health England were making towards the key areas, particularly as regards alcohol and obesity. What concerns me is that the political leadership in Westminster does not seem to support that. If you look at, in terms of obesity and sugar, and look at alcohol and alcohol pricing, those two interventionist measures, which I believe you supported but could not get into the guidance. How do we change the mindset of those who make the ultimate policy?

Professor Mike Kelly: To give a slight correction, that is in the guidance. NICE unequivocally recommended minimum price per unit of alcohol in the 2010 guidance. Our recommendations relating to fat, salt and sugar and their reduction are also there as regards cardiovascular disease. In my view, as a scientist, the evidence fully supports such interventions. Of course, NICE produces its guidance in a democratic society and other forces come into play. Political forces and differences of political opinions are part of the reality into which the NICE guidance flows. None the less, as a public health practitioner I have to be optimistic. In the long run, the evidence in respect of the things we just mentioned, as well as some of the interventions relating to obesity will out and we will see the kinds of shifts in policy that the evidence is strongly suggestive of. I remind the Committee that it was in 1952 that Doll and Hill published the first paper which pretty well unequivocally showed the link between lung cancer and smoking. It took the best part of 60 years to get to a point where we live and work in a smoke-free environment. You are playing a long game with public health, which is equally true with obesity, food, alcohol and so on. You do not give up just because it takes a long time.

Q34 Lord Dixon-Smith: I think sometimes that I spend too much time in supermarkets. One thing that amazes me is the sheer volume of convenience food that shoppers purchase, which is designed to be highly palatable and tasty, and to reduce preparation time and work in the house. That trend will not be reversible. The main work that has to be done needs to be done with the manufacturers of such foods. It is all very well trying to change the habits of the consumer but if consumers are being fed a very large volume of highly palatable, very quick and easy to prepare foods, they will keep consuming them even if they are not dietetically idea. We ought really to get at the manufacturers and I wonder what is happening in that regard.

Professor Theresa Marteau: The words that come to my mind are “the commercial determinants of health”. We have heard a lot about the social determinants but, increasingly, people are talking now about the main vectors of disease in the 21st century being the products of which you speak: highly processed foods, alcohol and tobacco. Macroeconomists are beginning to talk about the tension between health and wealth creation. It is a very interesting question, how we change our environments within existing regulatory structures. These are legal products and, as Mike Kelly suggested, tobacco provides an interesting case example. Your Lordships will be aware of the recent discussions on standardised packaging of tobacco products. Initially, the report that was put before the House of Commons was rejected on the basis of having insufficient evidence. I think that the term used was that there was not enough “concrete evidence” to support regulation. However, with the Chantler review, the evidence has been looked at again and a recommendation has been made, but in a context where there is a large commercial interest in this not happening. That is the case for food and that is what your inquiry picked up on. There are two uncertainties. First, what is it in our environments that drives unhealthy behaviours? Secondly, having identified that—and you have correctly identified the widespread availability of highly processed foods as one of the drivers—what then is open to government in trying to change that?

Q35 The Chairman: Would Mr Rentoul like to comment on what is open to the Department of Health?

Jamie Rentoul: With the strategy that the Government published, the engagement with the industry through the responsibility deal was a key part of addressing some of the issues that you have raised. Again, within the behavioural change and behaviour science literature, the various issues of the choice architecture—I think that is the jargon—are about how you make it easier to make the healthier choices. For example, that picks up on a point that you made earlier, about people in a hurry in a supermarket going for convenience. For example, the work that we are doing with the major manufacturers on food labelling and traffic-light labelling, so that you can pick up pre-prepared meals and quickly see that this one will have better nutritional content than that one, supports those choices in a way that is as straightforward as possible for people. We are also asking industry to come forward on calorie reduction actions, such as portion sizes and things like that, where, again, people can make healthier choices. The issue in terms of development of policy is seeing enough progress from engaging with industry to support change in the way in which people are living their lives and the outcomes for them in obesity.

The Chairman: Do you and your colleagues in the Department of Health genuinely believe that industry will make changes that, if they compromise their own profits for the benefits of public health, as Professor Marteau said, could prompt a trade-off between wealth creation and health creation? Do you think that the industry is prepared to step up to the plate and say, "We don't mind reducing our margins, cutting our profits and becoming smaller if it helps us to increase population health"? Is that your basic starting point?

Jamie Rentoul: There is a connection between changing consumer and citizen attitudes towards what we want to eat and eating more healthily and Professor Marteau's comments about people actually wanting to eat healthier meals and not to be obese and overweight. That is the majority, so there is consumer demand there to which industries will respond. There are things within the Responsibility Deal on which, if a critical mass of industry is setting the tone of responsible behaviour and the norms in the industry, they can move together. As another example, they are moving on calorie labelling. There is then an issue on your question about commercial interest and profit. This is potentially shifting the market without necessarily changing the profitability of the market.

The Chairman: Are they moving on something that I find really shocking, which is the continuing tendency for food retailers to stock at the checkout counter at child level rows and rows of sweets and chocolate bars? I would have thought that if anything was central to a public health responsibility, it would be for the supermarkets to agree to get rid of those. Have you made any headway on that?

Jamie Rentoul: Yes, there has been progress on that. I do not know if Richard has more detail.

The Chairman: Which supermarket has agreed not to have sweets and chocolates at a low level by the checkout counters?

Richard Sangster: Lidl.

The Chairman: Any others?

Richard Sangster: No, but we are aware that there are a number of supermarkets trialling those measures.

The Chairman: They are trying them out. Which ones? Perhaps you could let us know afterwards.

Q36 Lord Peston: I should like to go back to Lord Willis's question to Professor Kelly about how to get proper changes made; he mentioned alcohol cost as an example. I think I am right—I am losing my memory; it is an age problem—that food generally, not meals, is VAT-free, is it not? Not fat-free but VAT-free, as they used to say. Can you imagine a Government trying to introduce a policy of putting the full rate of VAT on food in order to achieve the health benefits which that might generate? It would fall disproportionately on the poorest people. It would be unpopular beyond belief in the population at large. However, it is the sensible thing to do—there is absolutely no economic reason that I know of why food should be exempt from VAT. Those of us in the Lords have to accept the fact that we do not have to get elected, but all our colleagues out there in both central and local government would like more often to do the right thing but, equally, they like to get elected. I ask Professor Kelly, although others obviously can answer, whether that is not at the heart of the problem. When you know what the right thing is, and there is no doubt that food should not be exempt from VAT, you still cannot do it.

Professor Mike Kelly: Yes, it is a very good question and I do not think that there is an easy answer to it; I will come back to the parallel with smoking in a moment. The idea of trying to manipulate price with respect to food is fraught with many more difficulties than manipulating price with respect to alcohol and tobacco. You can live quite successfully without either alcohol or tobacco but you cannot live without food. We are therefore dealing with products of a fundamentally different category.

That said, there is no doubt that from an economic point of view the laws of supply and demand apply to food just as they do to everything else. As a potential way of manipulating things, it potentially has legs. However, I draw attention to a review that Professor Marteau's group has done in Cambridge looking at financial incentives as a way of bringing about behaviour change. It turns out, to oversimplify a very complex review, that the simple operation of supply and demand with respect to behaviour change works in a much more complicated and nuanced way than the use of simple solutions would suggest. If I were sitting in government, I would not look to price as my first mechanism for managing people's behaviour in purchasing food. You mentioned the supermarket but one needs to look not just at a supermarket but at the typical British high street. As you walk down the typical British high street today, you will encounter the opportunity to purchase cheap and tasty but almost non-nutritional calories at almost every turn. We have created an environment in which there is very easy availability of cheap calories.

The parallel with tobacco is that when I grew up, in the 1950s in the East End of London, I lived in an environment in which smoke was everywhere and it was seen to be normal. You had smoke-free places where the maiden aunts and the rather odd people who went in non-smoking carriages on railway trains went. We have reversed that completely. It is that kind of cultural shift, whereby we move away from an environment where there are calories everywhere in the way that we have moved away from an environment where there is smoke everywhere, but one has to acknowledge that that takes time and requires the co-operation of industry and government and the buy-in of consumers.

Q37 Lord Rees of Ludlow: Is there a special problem in motivating behavioural change in diet because the public is rather sceptical about the experts in diet? What some of us were told when we were young has changed. We have recently heard that saturated fats may not be bad for you, et cetera. The public is, understandably, rather confused and sceptical about what is actually good for us. This may be one reason why, even if they are fed this information, they do not take it all that seriously. I should like to have some comments on that.

Professor Theresa Marteau: I accept that but I come back to the points that Mike Kelly made about the importance of environment in driving our behaviour. Since the publication of your inquiry in 2011, there have been several publications, correlational in nature but none the less looking at exposure to fast food outlets and BMI. For instance, in a recent analysis, people who lived near a fast food outlet and whose commute involved passing more fast food outlets had a higher BMI. Without going into the detail of what people think about different foods, mere exposure increases the likelihood that they will consume. The other aspect to do with environment comes back to the Chief Medical Officer's report published in March 2014. That has some important observations. We have been focusing on food environments but it is also important to focus on the "walkability" of environments and active travel that very much fits into attempting to prevent obesity. There were shocking data in that report about the proportion of travel that now involves cars; it has gone up over the past 10 years. The most shocking data concerned the dangers involved in travel by foot and by bike. Per kilometre travelled, you are something like 16 times more likely to suffer a serious injury if you walk and 21 times more likely to suffer serious injury if you use a bike. So it makes sense to travel by car, which is bad for the environment and bad for preventing obesity, Maybe this is a matter for the Department for Transport or Public Health England; I am not sure who is looking at that but it is an important part of the problem that we face.

The Chairman: Thank you. We talked to the Department for Transport last week about precisely those issues. I turn now to Lord Patel and invite him to take up the questioning.

Q38 Lord Patel: Hitherto, the conversation has been quite depressing, so I hope you will come forward with some really novel suggestions that could be very effective. We have heard about nudge and the Responsibility Deal, which no one in the department believes is going anywhere in reducing obesity rates. We heard that children's obesity rates are going down, but only very marginally. On the other hand, the rate of overweight children is going up. Rates of being overweight in men and women of all ages are going up, so none of this is working. Why is it not working? Is the balance wrong? Are there incentives that we have not thought of? Do we need to think of a whole new model? We keep talking about exercise. We all know that reduction in calories is key: if I eat less I will not become obese. Yes, it is important for me to exercise, otherwise I will seize up. So, give me three novel ways of attacking the problem of obesity.

Jamie Rentoul: I am here to set out government policy, as you know. The creativity happens elsewhere.

Lord Patel: Tell me one way in which the Responsibility Deal has made any difference.

Jamie Rentoul: A number of companies have taken the calorie pledge, taking millions of calories out of their sugary drinks. They are putting calorie labelling in the out-of-home sector. They will pick up labelling.

Lord Patel: What about novel ways?

Q39 The Chairman: While Professors Marteau and Kelly are thinking about novelty, may I pick up on one aspect of the Responsibility Deal that you have talked about: the implementation of traffic light food labelling. At first sight, it looks like a potential success story because initially the food industry resisted it and we appear to have persuaded many to adopt it. Let me ask you two questions. What evidence is there that those who most need help in reducing their calorie intake are affected by the traffic light labelling system? Secondly, is it true, as I have heard, that other European countries are now challenging this move towards traffic light labelling as being anti-competitive and are now taking it up in Brussels so that the whole system may have to be reversed? Does it work and is it under threat even if it does?

Jamie Rentoul: Taking the second point first, the European regulation sets some minimum standards for food labelling but allows member states to go further, with a review of those further measures due in 2017. Ministers are content that what we are doing is fully within the scope of the regulation but you are right: we have had questions from the Commission about what we are doing, the evidence base for it and so on. We have set all that out for its consideration but we remain convinced that it is the right thing to do and is within the scope of what is allowed under the regulation. It is an ongoing process.

The Chairman: Does it work?

Jamie Rentoul: That is a harder question to answer. We have had some traffic light labelling that shows evidence of customers making different choices within category, but the scale of rollout is not yet there for a substantial evaluation of what works. In December this year we will see more of it coming into play, supported by some of the Change4Life work to raise consumer awareness. We have not yet finalised our evaluation plan for it.

The Chairman: Professor Marteau, from what you have seen in the literature, is there evidence that the traffic light labelling system works, and does it work for the people who most need it?

Professor Theresa Marteau: I am one of the authors of a Cochrane systematic review. It is currently undergoing review. In it, we looked at the evidence for a range of labelling systems. It was insufficient to be able to pool data that looked at, say, traffic light labelling or other ways of labelling the nutrition of food. Overall, the evidence is pretty weak and does not give us reasons to be optimistic that this will have much of an effect. That said, to slide into answering Lord Patel's question as well, I am afraid I shall disappoint you. The one thing that we do know is that there is no one thing that will do it. Mike Kelly has already alluded to the story of tobacco control. We are not there yet; still, around one in five people in this country smoke cigarettes, including twice as many among those who are deprived as among those who are not. None the less, the rates have come down significantly. If we look at what seems to have been effective, it is a mix of interventions that has done it, including labelling, the presentation of cigarettes, advertising and availability, as well as individual-level interventions. It seems that it is that mix that will be very important. At the moment, my sense is that we are increasingly clear about the importance of the physical environment; we have been talking about availability but within what is available, portion size would be one key component of how foods are presented to us. All those seem to be quite important. We do not yet have the effect sizes but evidence is being collected on that.

Q40 Lord Patel: So it is not one thing but a balance that is important. Would you like to comment on whether you would give a different weighting to different policies to make it more effective?

Professor Mike Kelly: It is a single policy with an integrated focus. Professor Marteau's analogy with tobacco is absolutely right. The successes with tobacco control over 60 years have been achieved through an integrated set of policies relating to very good health education, very good approaches to fiscal taxation policies—duty on cigarettes and pricing—and very good presentation material. When you go to your doctor, if you have ever been a smoker, he or she will raise that issue with you; it is built into every general practice consultation. That is not true of talking about weight or other aspects but we have done it with smoking. Finally, there is the legislation that gave us smoke-free public places. Those things together have produced the results that take us from 60% or 70% of the adult population smoking to about 20% or 21%. With respect to obesity, we need a similar integrated policy and a recognition that it will take several generations to get to where we need to be. It is not novel and perhaps it does not sound like a vote winner but, in the end, that is the only way. I should say, too, that it must involve the manufacturers and the retailers—they have to be part of the solution. There have been successes. We passed it by a moment ago but the work on salt and salt reduction has been a combination of the excellent work done by the Food Standards Agency and the bringing on board of the reformulation of processed foods. By the way, the bulk of your salt comes from processed foods, not from the salt you add to your dinner at the table.

Lord Peston: You have never seen me eat fish and chips.

Q41 The Chairman: To pick up on that, Mr Rentoul, do you agree with what Professor Kelly said? I quote from the British Medical Association, which said that, “tackling these problems by relying largely or exclusively on personal responsibility, ‘nudging’ individuals and corporate social responsibility is inadequate. It is also likely to entrench existing inequalities”.

The BMA and NICE are saying that we need an integrated approach that mixes the softer measures—nudging and maybe changing the labelling—with much tougher measures such as regulatory control and maybe taxation. Is that agreed by the Department of Health? Do you see it that way, too?

Jamie Rentoul: The obesity call for action says, within the Nuffield ladder, that we prefer to focus more on measures further down, to encourage individuals to make choices. That said, as I said at the start, we are doing a number of things that are more mandatory, including health professional interventions, education, the school food plan and so on. There are aspects of the mix that are more mandatory

The Chairman: We have heard from Professor Marteau that, in her view, a crux of the problem is the environment in which people operate. What mandatory measures do you envisage to change the environment as happened with smoking, as we have already heard?

Jamie Rentoul: Again, within the changes to the public health system, part of the logic of that is to do with local government taking more responsibility with its better understanding of local populations. It is not a national mandating but a local responsiveness. However, the national planning framework, which has been recently refreshed, says that health is one of the things that should be considered in planning, so that links to some of the environmental issues.

Q42 Baroness Perry of Southwark: I want to return to the question of the transfer of responsibility for public health to local authorities. Professor Kelly was quite upbeat about that. What tools do local authorities have to try to influence behaviour in public health and do they have the expertise to do this? When we ask them whether they use nudge or intervention, what tools do they have to use either?

Professor Mike Kelly: I think that there are two parts to the answer. First, within existing legislation, local authorities probably have all the regulatory powers that they need with respect to planning, licensing, the applications for who opens shops and so on. There are marked differences in different high streets in Great Britain. Near the NICE offices in

Manchester, there is a plethora of takeaways and betting shops. One might argue that they are catering for their local population. But when you stand back and look at it, you may think that not much thought has gone into the health dimension in the district. Other districts are quite different and the mix is there. That reflects planning decisions, the way in which local businesses are attracted into areas and so on. The existing infrastructure is sufficient if people care to use it We need to get public health into the DNA of local authorities—not just the public health teams in local authorities but planning, transport, education and so on—so that they are all thinking about public health implications. Then you begin to see those local communities look different and respond differently.

On the second question, as to whether they have the tools, with each director of public health, the construction of the joint strategic needs assessment in every local authority and the health and well-being boards, again there are potential places where these debates may be had and the arguments may be taken forward. I was upbeat because, in my experience, when I meet local councillors and local officers, they get it and they know what the issue is. Sometimes they are less well attuned to the nature of the kind of public health evidence base of randomised controlled trials of that sort of thing, which historically have not figured very often in planning decisions. But they should and there is no reason why they could not.

Jamie Rentoul: Public Health England has been set up with 15 centres to provide support to local authorities that wish to make use of best practice and so on. Public Health England is doing work with the Local Government Association on a sort of peer challenge on childhood obesity which we hope will pick up some of the good practice and make sure that it is shared. That is one of the things about, if you have a more local approach, how do you make sure when something fantastic is happening it gets picked up and other people can think about using it? We have commissioned qualitative research, using obesity as the example condition, much as has been done by the Committee on behaviour change, into how the local public health system is working. If I remember rightly, that will be published in the autumn to provide support, help and evaluation about what is working and what we can learn from it.

Baroness Perry of Southwark: Is there any evidence that local authorities are turning to their regional public health officials to get advice and help? Is it on a large scale or a limited scale?

Jamie Rentoul: Yes, there is. I need to talk to PHE and come back to you if that is all right.

Professor Theresa Marteau: I understand why there is a sense of greater optimism with local authorities having a public health brief. But as an academic I am paid to be a sceptic. I would want to see not qualitative evidence but quantitative evidence to know the extent to which local authorities are implementing the regulatory powers that they have. I do not know who is responsible for providing that evidence but it is very important evidence to have.

Q43 Lord Willis of Knaresborough: I am a sceptic, too. In terms of the evidence, the budget which Public Health England has for research is pitiful. In fact, it was not going to exist at all until the statutory instrument was going through Parliament and we were able to change that and to retain some money. To be fair to the Department of Health, it has recognised the need for research in that area. To do this job right, local authorities have to have access to good quality research in order to underpin that. Would you agree?

My other point is to Professor Kelly. I fundamentally disagree on the tools that local authorities have to influence particularly the high street. The thing that influences the high street—and why there are a lot of takeaways near your offices in Manchester—is that that is what the market can afford to put into those areas. There are commercial decisions as to why people open a takeaway or a particular type of shop. You will not see Harrods or Harvey Nichols in those areas. Why? There is not the footfall to support them. As leader of a local authority, I know that trying to influence what happens on the high street is virtually impossible within the planning system. Frankly, the presumption is that you grant permission. Provided it has a particular category, you cannot say, "We have got one too many takeaways". That is not possible. The only way you will have fewer takeaways is if one of them collapses because no one goes in. Do you agree?

Professor Mike Kelly: I certainly agree that market forces are critical. They create the overall economic and commercial environments in which what we are talking about takes place. I also agree that some of the detail of the planning regulations is very unhelpful to local authorities, particularly in some of the areas that we have been talking about. There certainly is a case from Leeds in relation to a school playing field with which I am very familiar because it has been brought to my attention by Councillor Illingworth from Leeds. I know the frustrations faced by the authority as it has tried to do what would be the right thing in public health terms.

I go with you some of the way but sometimes there are imaginative solutions even if it means complaining bitterly to the national authorities that have overall control of the planning and regulatory frameworks.

Professor Theresa Marteau: I think that you addressed your comments to me as to whether I agree about research. The key things are research and the availability of the research evidence. The National Institute for Health Research has a budget and expertise for commissioning relevant research. I am not sure that PHE has that but PHE is very important in terms of being able to translate the research evidence for use by local authorities, which is where its role comes. All I was proposing was conducting an audit to get a snapshot of what is happening in local authorities and the extent to which they are able to use the evidence to commission services that are effective or to implement interventions that are effective, and not commission or implement interventions for which there is good evidence of ineffectiveness.

The Chairman: Thank you very much indeed. Thank you to all four witnesses for your helpful answers to our questions.

Jamie Rentoul: I have one point of fact on Lord Peston's earlier comment on VAT. Some food products are standard rated where they are labelled as luxury foods. Confectionery and crisps are examples.

Lord Peston: Almost all of us who have worked in this field cannot make head or tail of regulations.

Professor Theresa Marteau: And orange juice but not caviar.

The Chairman: In due course you will receive a transcript of the session for you to make minor editorial comments. We will have a further evidence session with the relevant Minister, which will be later in the year. Thank you for your time. I think the two representatives from the Department of Health have offered to send us follow-up information, which would be very helpful.

Department of Health – Supplementary written evidence

Supplementary evidence provided by Department of Health following the oral evidence given by Jamie Rentoul, Director of Health & Wellbeing, Public Health Directorate on 13 May 2014

Thank you for inviting the Department of Health to give oral evidence on the 13th May to the Lords Science and Technology Select Committee follow-up investigation on Behaviour Change.

I agreed to seek further clarification on three points raised by the committee during the evidence session and to provide further written information. I hope the following addresses the committee's questions.

Change4Life evaluation
The committee asked if the Department were aware of any recent peer-reviewed evaluations of the Change4Life campaign. I informed the committee that Public Health England would be publishing an evaluation report shortly but that I would clarify whether this evaluation is peer-reviewed. Public Health England confirm that this report has been reviewed by independent academics and have provided some further information on the impact of the campaign for the committee at annex A which may be of interest.

DH and PHE have always been keen to subject Change4Life to proper trial-based evaluations, and for independent academic research to help inform and shape the development of Change4Life campaigns. The annex provides further information on this.

Removal of confectionery from supermarket checkouts
As we made the committee aware the strongest commitments to date in this area have come from Lidl, which announced plans to remove confectionery from checkouts across all their stores from January 2014. Since the committee meeting on 13th May, Tesco made a similar announcement on 22nd May 2014 representing an extension of its existing policy to smaller stores and this will be rolled out by the end of 2014. Annex B provides the latest position of the 10 major retailers on the presence of confectionery at their checkouts.

PHE Centres
The committee were interested in how local authorities are being supported by their local PHE centres to develop and implement interventions to tackle obesity and I referenced the 15 PHE local centres. The committee asked if there is any evidence that local authorities are turning to their regional public health officials to get advice and help.

In the new public health system, local authorities' first source of professional public health advice from Public Health England (PHE) comes from one of the fifteen Centres, each of which is led by a senior public health professional.

We know that Centre teams meet regularly with Directors of Public Health and their teams on public health and professional matters. A number of centres, such as in the North East, work closely with local government to coordinate regular meetings with Obesity leads in local authorities to share good practice and identify opportunities to work together. Further information is provided at annex C.

12 June 2014

Annex A

Change4Life

Change4Life is Public Health England's flagship social marketing campaign and a key aspect of its obesity prevention work programme. Change4Life encourages everyone in England to 'eat well, move more, live longer' with a specific focus on C2DE families with 5-11 year old children.

Over the past five years, the Department of Health and Public Health England have invested a significant amount of public money in the programme. This public investment has attracted over £90 million of free media coverage[6], £51.5 million of in kind support[7], £2 million of voucher redemptions[8], and donated time valued at £2.7milllion[9]. Local authorities, local supporters and the NHS have distributed about thirty million pieces of Change4Life-branded collateral and the brand is used by the vast majority of local authorities, endorsed by major charities and local community groups and displayed free of charge in the majority of community venues. We have accordingly been able to reduce the public investment each year as contributions from other sources have increased.

- As of April 2014, 1,937,406 families had joined Change4Life[10]
- Change4Life has delivered 300,000 personal activity plans, 500,000 Meal Mixers and over a million people have downloaded Change4Life apps[11].
- 220,000 primary school children participated in sport as part of the Change4Life Sports Clubs in schools; independent evaluation showed that 38,000 more children are getting their 60 Active Minutes every day, directly attributable to Change4Life Sports Clubs[12]
- Over 200 national organisations have collectively provided £51.5 million of in kind support to the programme[13]
- Over 70,000 local supporters, including schools, general practices, charities and leisure centres have joined, reporting that they collectively deliver 380,000 hours of

6 Freuds/Media Proof
7 Externally audited by M4C. Note: there may be some minor overlap between the £90 million of free media coverage and the £51.5 million of in-kind support, since both of these figures are independently audited for us; there are some instances in which activity may be included within both
8 Information provided by commercial partners
9 Analysis provided by M4C, using data from local supporter survey.
10 Source: Lateral Group
11 ibid
12 SPEAR, Canterbury Christ Church University
13 Externally audited by M4C

unpaid time[14] to the movement each year; while most local supporters work (i.e. their time is funded by their employers), the value of the "self-funded" time provided by volunteers is £2.7 million per annum.

- 56% of community venues (such as schools, general practices, hospitals, leisure centres and town halls) display Change4Life materials at no cost[15]
- The campaign has garnered over £90 million of free media coverage[16]:
- We estimate that, by working together under a common banner, Change4Life and its partners have saved £13 million since 2009.[17]

Change4Life is well liked and trusted by the public, who report that the materials it provides are useful and "for people like me"[18].
An analysis of the database during 2013 found that the Health Acorn groups with the highest indexing were:

- Poor single-parent families with lifestyle-related illnesses
- Multi-ethnic, high smoking, high fast food consumption
- Urban estates with sedentary lifestyle and low fruit and veg consumption
- Deprived multi-ethnic estates, smokers and overweight

PHE have always been keen to subject Change4Life to proper trial-based evaluations. In 2009 Dr Helen Croker at UCL was funded to conduct a community based randomised control trial of the *How Are the Kids?* questionnaire, which was one of the items of printed materials produced at launch. Dr Croker's study, which was published in BMC Public Health in June 2012, found that the *How Are the Kids?* questionnaire increased awareness but had little impact on attitudes or behaviour. Naturally PHE were disappointed with this finding. However they note that:

- Dr Croker's research covered only one element of Change4Life: the *How Are the Kids*? questionnaire, which was studied in isolation from the other elements of the campaign (such as advertising, partnership marketing, in-store activity, sports clubs and local activity).
- PHE's approach to behaviour change has become more sophisticated since 2009 (indeed they always said in the original published marketing strategy that there was a dearth of information on what worked, would try a number of initiatives, discontinue those that proved ineffective and build on those that showed promise). In 2014, the Change4Life programme looks very different to the way it did in 2009, for example Change4Life use of techniques such as goal setting, monitoring and feedback, which

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[14] Analysis provided by M4C, using data from local supporter survey. Estimates calculated using following: 9% of local supporters are volunteers; 43% report that they are very or fairly engaged with Change4Life; average number of hours spent per month promoting Change4Life = 12.23 (all data from local supporter survey).
[15] Source: TNS
[16] Source: freuds/Media Proof
[17] Econometric analysis of FMCG brand portfolios by OHAL suggests that brands advertised as part of a range (either with a "hero" product or advertised as a range) enjoy improvements in ROI that are typically of the order of 15-20%. This manifests itself either through range advertising that shows sales uplifts across multiple products in the portfolio or as an uplift on "product b" as a result of its portfolio brand sibling "product a" being advertised. This would result in an efficiency saving of £13 million on a five year spend of £100 million
[18] TNS

were not included in *How Are the Kids?* but which are designed to prompt and support behaviour change.

In general, marketing moves at pace, and RCTs take a significant amount of time to complete. Public Health England has continued to engage with the academic community in the evaluation of Change4Life and, recognising that academic timescales may not always align with the needs of the campaign, have developed a hybrid approach where academics consult on the design of a study, and a professional research company is engaged to collect and analyse the data. A good example of this would be the work we conducted to evaluate the impact of Smart Restart[2] on levels of physical activity. This used pedometer data from a randomised comparison between those participating in the programme and a control group. One of the strands within the study compared pre- and during-campaign data and showed a significant 7% increase in physical activity amongst those who chose one of the activity pledges – to swap car or bus journeys for walking, cycling or scooting or to get more active every day by adding 10-minute bursts of activity.
Beyond the work we have funded, other academics have studied Change4Life independently. In particular, the work of R Puhl, JL Peterson and J Luedicke, published in the International Journal of Obesity in 2012 (http://www.yaleruddcenter.org/resources/upload/docs/what/bias/public_perceptions_public_health_campaigns_ijo_9.12.pdf) which compared Change4Life to 29 other obesity-related campaigns drawn from the USA, UK and Australia and found that Change4Life was the most motivating of all campaigns.

The academic evidence is that Change4Life is more motivating than other campaigns developed nationally and internationally in the field of obesity[19]. People have long been telling us that Change4Life helps them change their behaviour. However, we are now beginning to see compelling evidence of behaviour change, particularly of the impact of Change4Life on food purchasing. While this is greatly encouraging, Public Health England have commissioned further independent academic research to understand what Change4Life's role was in driving this change.

[19] See Fighting obesity or obese persons? Public perceptions of obesity-related health messages, R Puhl, JL Peterson and J Luedicke, International Journal of Obesity, 2012

Annex B

Retailers' policies on removal of confectionery from checkouts

Lidl have announced plans to remove confectionery from checkouts across all their stores from January 2014.

Tesco announced on 22nd May 2014 that they would extend their existing policy of not having confectionery at checkouts to smaller stores and this will be rolled out by the end of 2014.

Aldi's 'Healthier Checkouts Trial' was launched in their Neston region on 20th January and one checkout per store is being dedicated to healthier products, such as water, nuts and dried fruit.

The Co-op does not merchandise confectionery at the till point in its larger stores. In smaller convenience stores it offers a range of products at the till point, including healthier options. Healthier options are defined as fresh and dried fruit, unsalted nuts and seeds, 100% fruit bars and products not categorised as high in fat, sugar or salt using the Department of Health front of pack nutrition criteria 2013 and the Ofcom nutrient profiling criteria.

J Sainsbury was one of the first supermarkets to decide not to place single serve confectionery and snacks at tills where it would normally expect a family customer to be shopping with a full trolley. Sainsbury's does site single serve confectionery at kiosks, petrol forecourts and in its convenience stores, but it remains a firm objective to continue to provide healthier snacking alternatives such as fruit and nuts as part of this offer.

Marks and Spencer's policy is one in every three belted till points should have no confectionery, although they do allow chewing gum and sugar free sweets. They do not have confectionery with high child appeal at belted till points

Asda limit confectionery to one in three checkouts.

Morrison's is committed to moving to a proportion of checkouts without sweets and confectionery in its larger stores in the summer.

Waitrose is currently considering their position but we are aware that they do not place single serve confectionery items at checkouts.

Iceland has previously stated that it does not allow sweets at some checkouts, its policy is to allow a confectionery stand at only one checkout in each of its stores.

Annex C

PHE Centres

The Centres provide front-line support and advice for local authorities on the full range of public health issues (health protection, health improvement and healthcare public health) through a range of expert staff who bring expertise on specific issues. The Centre teams regularly meet with Directors of Public Health and their teams on public health and professional matters both with all local authorities in a locality and bespoke meetings with each local authority. The Centre Director, sometimes supported by the Regional Director, also will meet with the Local Authority Chief Executive and Leader – the statutory duty to improve the public's health is for the whole local authority. From a recent analysis, one PHE Centre team had 11 meetings with the local authorities in September 2013 and 10 meetings in October 2013, covering a wide range of topics across all three domains of public health. PHE also has national specialist teams working on the key public health issues that work with centre-based staff to provide and develop evidence, insight and products to support local government and the local public health system.

Centres have a strong focus on helping to share and develop effective practice to support local authorities to work with their communities on healthy weight, within a whole system approach to obesity. They also provide a voice and a direct link from local to national and have been able to influence national work to make sure it reflects what is wanted and needed in local authorities.

Staff at Centres and, in collaboration within the national teams, are establishing strong links with local networks, providing support and information and contributing to action plans. The PHE wide obesity network, which exists as part of the governance arrangements, meets regularly and facilitates intelligence and dialogue essential to developing a shared direction of travel. The team includes national and centre team representation and is a useful mechanism for identifying examples of practice and importantly opportunities to engage with and learn directly the experiences of local public health teams in tackling obesity.

The PHE centre in Yorkshire and Humber, for example, are supporting a group for local authority commissioning leads. The centre has contributed to local obesity services through this group by contributing to an audit of weight management services and providing a recognised channel for local authority colleagues to gain advice and information. Several centres are working with local authorities, including Cumbria and Lancashire working with the Blackpool Council, and the Cheshire Merseyside centre working with Cheshire and Cheshire West Local Authorities to support local authorities to peer review local action on childhood obesity as part of a wider pilot programme.

Department for Transport, Sustrans and Professor David Metz, University College London – Oral evidence (QQ 10-23)

Transcript to be found under Professor David Metz, University College London

Department for Transport – Supplementary written evidence

Q How are behavioural interventions, especially for medium and longer length journeys, likely to feature in the national road and rail networks national policy statement, which the Government recently consulted on?

The Government's policy is to aim to improve travel by all modes. The draft NPS reflects this position.

The NPS has a very specific purpose – it is a planning policy statement for "nationally significant infrastructure projects" (NSIPs), as defined in the Planning Act. It is not intended to set out a detailed strategy about behavioural interventions outside the NSIP planning process.

However, the NPS is clear that Government policy is to provide people with options to choose sustainable transport modes:

- It endorses the Government's *Door to Door Strategy* which includes improvements to the quality and availability of travel information, rail station improvements and policies to support smart and integrated ticketing.
- It identifies a compelling case for development of the rail network and strategic rail freight interchanges, which will support modal shift where investment in rail is value for money and affordable.
- It supports measures to increase the uptake of ultra-low emission vehicles.

In developing our long term road and rail investment strategies and considering specific schemes and programmes, the Department will consider the role of behavioural interventions such as improved information provision and new technology. Even allowing for behavioural interventions there is a need for further infrastructure improvements.

Better information on the availability of rail and more accurate predicted and real time information on roads from initiatives such as Transport Direct, means that future travellers are going to be much better informed about travel options costs including journey time and reliability trade-offs. This will enable more efficient use to be made of all our transport networks.

The Department is currently considering responses to the NPS consultation and plans to respond later this year.

May 2014

Rt Hon Oliver Letwin MP, Cabinet Office – Oral evidence (QQ 44-55)

Evidence Session No. 4 *Heard in Public* *Questions 44 - 55*

TUESDAY 24 JUNE 2014

Members present

Earl of Selborne (Chairman)
Lord Dixon-Smith
Baroness Hilton of Eggardon
Lord Krebs
Lord Peston
Lord Rees of Ludlow
Viscount Ridley
Baroness Sharp of Guildford
Lord Wade of Chorlton
Lord Winston

Examination of Witness

Rt Hon Oliver Letwin MP, Minister for Government Policy, Cabinet Office

Q44 The Chairman: Welcome, Minister. It is good of you to join us again. You may remember that you very kindly gave evidence to this Select Committee on its original report in 2011 and we have done a short follow-up this month, with Lord Krebs chairing it until the session ended. Now we have the opportunity to hear from you and we would like to discuss with you some of the evidence we heard in the follow-up. I have to remind everyone that we are being broadcast. Would you like for the record, therefore, to introduce yourself? If you would like to make a short opening statement, please do so.

Mr Letwin: Thank you, Chairman. The only opening statement I make is that I am sorry I am fractionally late. I was detained by the Prime Minister, who unfortunately controls my existence as a Minister, so I had no choice in the matter. Otherwise, I am entirely in your hands. I am Oliver Letwin, Minister for Government Policy, if that is helpful.

Q45 Lord Peston: Yes, Minister, if I can kick off, central to what we need to ask you about is the evaluation of policy with respect to behaviour change. My colleagues here and I appreciate how difficult it is to evaluate policy in this area, but are you satisfied that the Government's evaluation of what they are doing is a correct evaluation and that we can get a true perspective of both successes and failures in this area? It is a very broad brush question.

Mr Letwin: It is a very good question. I want to start by saying that my view is that in this country, and indeed around the world, we are at a low point in the foothills of trying to evaluate the effectiveness of any government action. If you look back over the last 50, 100 or 200 years of liberal democratic government in this country, and basically in all others that practise it, you will find very few examples of rigour being applied to the evaluation of the outcomes of policy.

The establishment, first, of the National Institute for Health and Clinical Excellence, which is a world leader in a restricted domain of the effectiveness of particular drugs, then MEDTEC, and the subsequent establishment under this Government of a set of What Works centres, which I hope will now begin to expand and acquire a reputation similar to that of NICE, which is universally regarded around the world as a serious organisation, is beginning the process—I do not want to overstate it, it is no more than that—of keeping track in a serious and systematic way of what works from the point of view of government policy. The question here is not whether the policy is a good policy from the point of view of somebody's ambition, but whether it has worked in its own terms. Has it done what its authors intended it to do? That is at least a useful precursor to subsequent democratic debate about whether what its authors wanted to do was a good thing to do.

I certainly would not want to claim in relation to behavioural insights programmes that we were hugely advanced in evaluations. We are not. However, I think I can say accurately that while we begin that work of trying to analyse, document and publish serious evaluations of the effectiveness of particular policies and programmes across the board, the Behavioural Change programme is much better evaluated and much better documented and analysed than any others. The report of the behavioural insights team is very unusual for this Government or any other Government in the sense that it shows, case by case, things like a control where a group of people did not have the measure applied to them, a group of people who had a measure applied to them, a group of people who had another measure or a combination of measures applied to them, and what the results were statistically. This is not the most advanced form of investigation that has ever been conducted. I suspect that some members of this Committee, including some very distinguished physical scientists, would regard this as fairly primary school stuff. Nevertheless, it is a big advance on anything you normally find in Governments.

One of the advantages of the behavioural change programme is that it is converging with the What Works centres. It is beginning to bring to bear on the proceedings of government a degree of rational investigation of the outcomes that we have not hitherto seen. I welcome that almost as much as the behavioural change itself.

Lord Peston: As a supplement to that, I know how difficult this all is. I am pretty sure I did the first cost-benefit study ever done in the British Government 50 years ago and I had to invent all the data because we did not have any data at all. I was quite good at inventing data. But one of the things that troubles me about this evaluation is the dynamics of it: namely, that those who change their behaviour early on, the first winners—if I may use that term—are the easiest to change. Does your experts' thinking extend to saying, "Do we need to modify the policy as we go along?". What are always left after we have had some successes are the hardest ones to change.

Mr Letwin: The answer to that is yes. First of all, in general it has to be yes. The What Works centres are not meant to be looking at a snapshot a few weeks after some policy was introduced: on the contrary, it is a longitudinal study that looks at changes over time. I have absolutely no doubt that you are right that there will be cases in which something is effective with a part of the population and reaches its limits or has diminishing returns, and other cases in which it may work the other way round. That needs to be tracked, and where we find a policy has had some success but has diminishing returns, it may well need to be tailored. There is plenty of scope for a model in which you try something, you discover whether it is working and you discover it works well enough to want to universalise it. You universalise it and discover it is working. You look at it later and find out is not working quite as well as it was in the first year or two and you try some further pilots or experiments to modify it. You take those that are working best and apply those, and you may eventually even reach the level of sophistication of accepting that policy may not work in the same way for each segment of the population and start tailoring it to different segments and so forth.

I think that this is completely work in progress, and the only way we are going to advance in it is if we systematically collect data on a longitudinal basis and have it analysed by people who are not the Government, the Opposition or journalists but serious technocrats concerned just with the objective facts of the matter.

Lord Dixon-Smith: On this question of costs, if we simply consider obesity for a moment, we know what the costs of treating people medically is, and so on, and if they do not change their behaviour and treatment does not work it is a cut-off point. But if we have a massive behavioural change—this is very politically incorrect of me to ask this, but none the less it is relevant—one thing we do is enormously increase longevity, which has a massive pensions cost. I wonder whether you treat the pensions cost as a benefit or a disbenefit.

Mr Letwin: NICE, the National Institute for Health and Clinical Excellence, measures things in terms of quality-adjusted life, so it looks into the question of how far a particular treatment has not only kept the patient alive for longer but increased the quality of life of the patient. I do not think it will surprise you to know that the ambition of Her Majesty's Government is, so far as possible, to make sure that Her Majesty's people are living as long, as happily and as well as possible. I suspect that is a common ambition of Governments across time, thank goodness in this country at least.

If, for example, reducing obesity has a consequence of diabetes and other health conditions that mean that people live longer and fitter lives, that in itself is regarded as a significant benefit in a cost-benefit analysis, I think rightly. The question whether society as a whole and those people in particular have been given the right incentives to save so that in their later years they are properly provided for by their pensions is then taken as a separate question. The Government have separately, but certainly connectedly, been taking a whole series of steps to provide incentives to save in order to ensure that the population is well equipped to deal with what we hope will be a longer, happier and healthier life. I do not think we should adopt it as an aim of public policy to try to avoid measures that might prolong a healthy life. That would be the wrong approach.

Q46 Lord Krebs: Thank you, Lord Chairman. Minister, I would like to just follow up with one particular example of evaluation, which is the Change4Life scheme run by the Department of Health. We heard in other evidence about one evaluation done by Dr Helen Croker from UCL, which showed a particular aspect of the Change4Life programme: that while it had an impact on awareness it had no measurable impact on attitude or behaviour. So you have done a proper evaluation with 2,000 families that had treatment A and 2,000 families that had another treatment—as you described, a properly controlled trial—and the evaluation shows it is not working. The question then becomes: where we do go then? We were not able to find from the officials in the Department of Health what their response to that was. They said that the Change4Life programme was a success, even though this evaluation seemed to indicate that one particular aspect of it, called "How Are the Kids?", was not a success. I just wondered what the Government's response is in policy terms when the evaluation shows that something is not working.

Mr Letwin: I cannot comment on that specific case—clearly you need to talk to colleagues in the Department of Health about that—but the general principle is clear: if you discover as a result of a serious-minded evaluation of the effects of a regulation, a programme or a behaviour change programme that you are achieving some goals but not others, the rational response is to sit down and try to think through how you might adjust it in order to have more of the effects that you were trying to have, try them out, see whether that works and keep going until you reach where you are trying to get to. As I see it, this is a recipe for successive approximations, and I very much take your point that it is unlikely you will get to the all-singing, all-dancing right answer even the second, third or fourth time, because circumstances are changing under you, you discover more about what you are dealing with, and so on. I see it as a dynamic process.

That, incidentally, also depends on achieving a sufficient maturity as a democracy so that neither the media nor oppositions complain if a Government try something, discover that it is not achieving all the effects, and then try something else. That is not a sign of confusion; it is a sign of learning and improving. I admit that is much easier to say than to do as an opposition. To resist that temptation is difficult, but we all have a duty to encourage that kind of behaviour.

Q47 Lord Krebs: When we did our inquiry that we published in 2011, one of the points we discussed and made recommendations on was whether or not the softer nudge approach to behaviour change was sufficient on its own or whether regulatory interventions might be required to deal with particularly the major problems that we looked at: obesity and modal shift in transport. I look back at what you said when you gave evidence to us in February 2011, and apropos nudge-like measures you said very frankly, "It is an open question whether any of this will have any effect whatsoever". Here we are roughly three years on, and I wondered what the view is now. We have been trying nudge approaches to tackle obesity, and I will focus on that for the moment. Do we think at this point that the nudge approaches are working, or are there going to have to be other more interventionist regulatory approaches to back it up, as we recommended in our earlier report?

Mr Letwin: As I say, in relation to obesity, if you want to pursue the question of what the policy is on obesity you really need to interview a Health Minister, who will go into the detail. I do not feel competent to do so. I do think that we have been learning two things across quite a wide terrain. One is that the question of whether government has the capacity to affect behaviour change in what we regard as constructive ways without regulation in some instances is no longer an open question. The report of the Behavioural Insights Team goes through case history after case history showing that not in all but in some cases we can have significant, and even enormous, effects without any regulation whatsoever. Whereas two or three years ago it would be fair to say most of my colleagues and most of the senior people in Whitehall were very sceptical about this whole exercise, if you now ask the people who run very clunky, hard-edged organisations like HMRC what they think about it, they will tell you something quite different, because we have managed to prove that it is possible to achieve effects they have been trying to achieve not just through regulation but through an awesome apparatus of prosecutions, imprisonments and so on for a very long time and had not been achieving as much as they wanted. Just the insertion of different techniques for the way you write to people about things has produced what seemed to them miraculous results. I should hasten to add that they have not solved all the problems, but they have made a significant advance. I think we are beginning to find the same in some other very hard-edged areas, such as the knotty problem of how you persuade people to leave the country when their visa has expired. It turns out that a nudge can have quite a significant impact at almost no cost at all, whereas the apparatus the state employed is pretty ineffective at huge cost in a much more traditional mode. I think we have proved this can work.

At the same time it is perfectly clear, at least so far, that this should not be regarded as a substitute for regulation across the board. On the contrary, there are all sorts of areas where we may need either a combination or just regulation, and I am very far from some kind of dogmatic replacement theory. That is not our position at all.

Finally, I think we have learnt—and we may want to discuss this more—that it is culturally quite difficult to get departments of state and ministerial colleagues to examine as a default option, the first option they think of, some low-cost or zero-cost fast nudge before they reach for a more complicated, more costly regulatory solution. It would be a terrible heresy if trying to encourage them to do that turned into trying to make them think, which I do not, that they should never use the regulatory lever, but we have to emphasise at the moment the need to consider the alternative because otherwise there is a natural default back to regulation.

Lord Krebs: That is a very helpful answer and I recognise the examples which the Behavioural Insights Team has done trials on where there seems to be an element of success, but we were concerned in particular about cases where there is a tension or possibly a conflict between the primary focus of, for example, the food industry on making money and improving shareholder value as opposed to improving public health. We wondered before whether in those situations, where you are trying to trade off a public health benefit, which is the duty of government, against a commercial interest of maximising some measure of success of the business, that could be reconciled by the nudge approach alone. I just take one example that was quoted to us by Department of Health officials. They were pleased to say that certain supermarkets, such as Tesco, have now agreed to remove sweets from the checkout counter, which seemed to be a very good thing to do. However, I went into my local Tesco yesterday evening to check. It is true that virtually all their checkouts are self-service checkouts, but they have moved the sweets just three or four yards away, down at child level, at the end of the aisle next to the checkout counter. It seems to me completely disingenuous of the food retail industry to say, “We are helping the Government to tackle obesity”, whereas in fact all they are doing is shifting the problem three yards down the aisle. That seems to be a case where the nudge approach, the soft approach, is not going to work, and I wonder what your view on that is.

Mr Letwin: First, I should say that I make no comment on the specifics of your Tesco. The second thing I should say is that there are two questions there. There is the question: does the placement of the sweets have an effect on the behaviour of the customers and their children? I do not know the answer to that question but I would not be surprised to discover that it does. It may well be a case in which nudging the consumer would have quite an effect compared to, shall we say, a regulation that said, "No sweets to be sold, no sweets to be bought. You get fined if you buy a sweet", which I suspect would be unsustainable in democratic terms and probably unenforceable. It would lead to anti-prohibition and covert sweet manufacturers and so on. I think this is very likely to be a case in which "nudge" is a useful tool.

Then you raise the question: how far can one rely on people who have commercial interests to administer a nudge in the right way, in an effective way, when that might be held to contradict their commercial interests? There, I think, we should maintain an open mind. Sometimes if you approach corporations in the right way they will engage in pro-social activity for profit-motive reasons, public relations reasons or just out of the goodness of their hearts. Sometimes they will not. I can quote from personal experience. When my doctor told me I had to lose quite a lot of weight and I asked the terrible question, "How do you do this?", my doctor unfortunately informed me that you do it by eating fewer calories each day, which was an uncomfortable reality for me. I then discovered that regulation—and this was regulation, not anything else—had compelled increasing amounts of transparency of labelling on food. I personally found that that was a very helpful nudge in the sense that it enabled me to construct a budget, and a combination of an iPhone and packaging now enable me to be pretty clear about it. Had I been trying to do the same thing 20 years earlier, I would not have known what calories were in which kinds of food.

I think the right answer to your question is a subtle one: that it is perfectly fine to try to get things done on a voluntary basis, including things that involve nudging the customer, but there will be cases in which some mixture of compulsion on commercial actors, including compulsion to provide kinds of transparency or other measures that then nudge the customer, are an appropriate way forward. Therefore, I do not see this as a sort of all or nothing but, on the contrary, as a carefully judged mixture of such regulation as is necessary and such nudges as are useful.

Q48 Lord Rees of Ludlow: One context where it has been agreed that some regulation is needed is the packaging of cigarettes. We know that the Government seem to have kicked this into long grass, probably through strong commercial pressures. I wonder whether you would like to comment on this and what may happen in this very important area.

Mr Letwin: Plain packaging is proceeding; it is not in the long grass at all. The measures are under way now, and they are regulatory, but the purpose of the regulation is not to have a policeman standing over the customer and sending the customer to jail if they try to have a cigarette, but to nudge the customer by having the kind of packaging that does not entice the young, first-time smoker. That is a very good example, I think. What I would say, in answer to Lord Krebs, is that there are cases where you may want to regulate the commercial operator in order to get the commercial operator to act in a way that nudges the customer.

Lord Rees of Ludlow: As a follow up, what about the minimum price of alcohol? Is that a similar case?

Mr Letwin: There is a difference in the sense that the plain packaging is proceeding now, whereas the minimum pricing is not proceeding at the moment. But the general structure is similar.

Viscount Ridley: Can I just follow up on something you said in answer to Lord Krebs, which is that nudging is not supposed to replace regulation but to work alongside it, and you gave a good example of how that would happen? But is it not conceivable in some cases that if industry takes the hint and offers carrots of nudge it would learn that it would be able to be rewarded by not having to be regulated? In other words, there might be a carrot and stick approach here using nudge versus regulation.

Mr Letwin: Yes. I think I am saying the same thing as you, but the way I would put it is this: there is a great deal more scope than Governments on the whole have hitherto recognised for getting industry to engage in voluntary agreements—responsibility deals, if you like—where there is a threat of regulation lurking but government does not regulate and then the industry does things instead. We have been doing some in the last four years and I think we could do more yet.

The next question is: what is the industry then being asked to do in that way? Sometimes it is being asked literally to stop selling something or to change what it is selling, in which case we are not talking about nudge but about a change in industry behaviour. The nudge that is there is the nudge or the threat to the regulation that has the industry to check. Sometimes what is contained in the responsibility deal is an agreement by industry to do something that will then nudge the consumer. There are levels here, and there is a whole array of different techniques. In some cases there will even be regulation as part of a responsibility deal, because in some cases in order for the industry to act in a certain way it requires that there be a certain legislative framework.

To give you an example I have been personally involved with, when the insurance industry came to us saying that the statement of principles that allowed them to protect people whose houses were particularly prone to flooding from exotic insurance premia, or from the unavailability of insurance, was coming to an end, we negotiated with the industry a voluntary industry measure that nevertheless, in order for it to work, had to be backed by a certain change in statute that is now going through Parliament.

This is a field in which there are threats of regulation, actual plain vanilla regulations, cases where you have to change the legislative framework in order to permit the responsibility deal to occur, responsibility deals that emerge from these threats or frameworks, and cases in which you cannot get anywhere with the responsibility so you have to regulate directly. In those cases, either industry is doing things that change what happens and do not offer a choice of a certain kind to the consumer. In other cases, the industry acts in a slightly different way in order to nudge the consumer towards a somewhat different result.

There is therefore a considerable kaleidoscope of different options. The important thing is to work out in each case what will work, to test whether it has worked and to keep experimenting until you get to something that works in a very effective way.

Viscount Ridley: I was just going to ask, following up Lord Rees's point, where in that menagerie of different options minimum alcohol pricing lies, but perhaps that is too big a question for today.

Mr Letwin: Yes. If it were to come in it would be a form of regulation that would be a kind of nudge.

Q49 Lord Rees of Ludlow: Let us move on to a more organisational question: the way in which the Nudge Unit was mutualised by the Government, NESTA and the employees. I wonder whether you have any comments on how this is going, or whether you feel happy about the avoidance of conflict of interest by doing it in such a way.

Mr Letwin: Yes, I feel very happy about it. How it will turn out over the course of the next four or five years remains to be seen, but I think the structure is very promising. Across the public services—it is Francis Maude rather than me that has been doing this—we have been encouraging departments and public service providers to find ways of enabling employees to mutualise their activities, often with joint venture partners and almost always with contracts with the core public service or government department, to continue doing whatever it was that they were doing for a period. That was the model that we adopted here. The Cabinet Office, as a purchaser of the service that it had previously purchased by paying the staff as civil servants, continues but in the form of a contract with the mutual. It is a five-year contract. It is fiscally neutral in the sense that we are paying the same amount of money we were previously paying for the same services we were previously paying for. It has two advantages, from our point of view: that is to say, the Cabinet Office's and hence the taxpayer's' point of view. One is that at the end of the five-year period it is an assumption that we or a future Government will have a tender and this group of people will have to prove that they are the right set of people to continue doing the job and that they are willing to do it at a price that is competitive in the marketplace with other people who are equally qualified. That should keep a tight lid on costs and keep up the quality, which so far has been very high.

The second reason why the taxpayer can benefit is that we remain a shareholder—I have to look this up, but I think we are: yes, a 35% shareholder. Indeed, we are slightly privileged; we are the only shareholders entitled to retain dividends during the early period. If the effect is that the staff in the team, ex civil servants, are successful in attracting business from other Governments and enterprises around the world, that will return money to the taxpayer. Indeed, part of the reason for doing this is that it turned out that there is a very large number of other Governments around the world who are queuing up to seek their services, so we expect to get a return.

It is equally important that because the employees themselves are also owners—again, 35%—they have a considerable incentive to make this work in both senses: to satisfy us as their prime contractor that they are providing us with what we want on behalf of the citizens of this country; and to provide good advice to other people that leads to revenues. I hope we will find that it is possible, without any extra cost to the taxpayer, to expand the unit. That was the very point of bringing in NESTA that they can help to expand it—and to provide a very high quality service that enhances our reputation internationally. In every respect I think this is to be welcomed. I do not think there is any conflict of interest at all in the sense that the constitution of the mutual prohibits it from doing anything other than work for the public interest. It is not there to serve commercial interests. Our contract asks it to do for us what we have been asking it to do anyway. There is no reason to suppose that it has any conflict of interest with anybody else, because that is a contract and their interest is to fulfil the contract in order to get reappointed five years later.

Lord Rees of Ludlow: They are constrained in work that they might want to do for commercial interests, are they?

Mr Letwin: They are constrained in two ways. First, they cannot take on work unless it has a public interest purpose. Secondly, if anything they do prevents them from fulfilling the contract with us, in effect they will not get reappointed when the time comes.

Lord Rees of Ludlow: Could they expand the private sector work to a bigger proportion than they are now doing?

Mr Letwin: Only if the work they are doing is of a public-interest character. The difference, if you like, is between them finding ingenious ways to make progress that help welfare around the world and the other side then becoming a McKinsey, a Saatchi or something that somehow, perfectly properly but completely separately, engages in commercial activity. That is not their purpose and it is written into their constitution that they should not do that.

Lord Rees of Ludlow: No, but it is a great institution and one does hope that it will not compromise its reputation in any way.

Mr Letwin: At the moment I see absolutely no sign of that, and I think it is structured in a way that gives them very strong incentives not to do so.

Q50 Baroness Sharp of Guildford: Just one question, which is a sort of adjunct to this: what happens to the pension obligations when it is a mutual?

Mr Letwin: There are different arrangements in different cases, but in all cases there are TUPE arrangements so that their pension rights are preserved.

Baroness Sharp of Guildford: Under TUPE to some extent the mutual takes over the pension responsibilities.

Mr Letwin: Yes.

Baroness Sharp of Guildford: But if the unit should subsequently go into liquidation, this poses considerable problems. It has happened with one of the DERA units, which was semi-privatised in a way.

Mr Letwin: I do not think it would cause any problems for the accrued rights, but if you mean that the employees would not then get future employment and hence not have future rights accruing, that is certainly true.

Baroness Sharp of Guildford: For civil servants who are mutualised in this way, there is the risk to future pension rights. Under TUPE, that is passed over to others, but there can be problems down the line if the mutual does not prosper and it is wound up as sometimes—

Mr Letwin: Certainly if the employees decide to leave the Civil Service, although their rights are preserved they move into a different world. If they decide to mutualise, they also move into a mutual world, so they are taking a risk, yes, but not with their accrued rights. Their accrued rights are preserved.

The Chairman: The Institute for Government had some concern, did they not? They thought that this mutualisation might lead to their being out of sight and out of mind. Do you think there is any danger of their being sidelined by the Government?

Mr Letwin: At the moment, absolutely none whatsoever, no. I see them absolutely regularly, and so do other Ministers. There is a whole series of things that we have asked them to do in the past few months—I think probably more, certainly as much, as we have previously. David Halpern is the What Works adviser to the Government. He therefore sits on a committee, which is chaired by Nick Macpherson, the Permanent Secretary to the Treasury, of social scientists around the Government. They are fully integrated into our activity and there is huge enthusiasm from a range of Ministers and departments for their work.

It is certainly true that if the work were not any longer to be of the quality it has been, they would, I have no doubt, fall out of favour and out of mind, but that is very true of some parts of Whitehall too. My experience is that if Ministers conclude that a particular part of Whitehall is not delivering, they do not want to spend time with them. I do not think the structure makes any difference. What makes a difference is the quality of the work and the ability to sense what the Government are trying to achieve and to help them to do so. If you are doing that, which they abundantly are in this team now, it gets a great deal of attention.

Q51 Baroness Hilton of Eggardon: One of our original concerns was the lack of co-ordination between different government departments. You may remember that the Department for Transport had a promoting cycling policy, but it is not talking at all to the Department of Health about fitness and obesity. Has the co-ordination between different departments improved? We also wondered why you had not decided to appoint a chief social scientist, which we recommended, as a way of improving co-ordination across departments.

Mr Letwin: May I take the second part of your question first? We have thought quite a lot about this question of a chief social scientist. Various things have been happening. As I mentioned, one is that David Halpern has been drafted into the group of chief scientists and statisticians, economists, and so on, that is chaired by Nick Macpherson. A large part of the work that a chief social scientist would need to do lies in this domain of assessing and evaluating the effectiveness of programmes that is the work of What Works centres. A large part of that remit is fulfilled by him being the What Works adviser, and I am confident that we will want to continue to have What Works advisers—him or others—as we go through, and that we want to keep them at the centre of government as part of that group of scientists and social scientists.

The current intention of that committee is that when the chief scientific adviser of a suitable department comes up for renewal—it would need to be a suitable department—a social scientist is appointed instead of a physical biological scientist. That person might then spend a proportion of their time also supervising social science more generally around the piece. I think we should be careful about this, because I would not want it to be suggested that either the Government’s chief economic adviser, who sits on that group, or the chief statistician are not social scientists—or, indeed, while we are at it, David Halpern himself. They all are.

Baroness Hilton of Eggardon: It is a matter of definition.

Mr Letwin: Indeed. But one must not think of this group as a group that is simply remorselessly in what I used to think of—I am sure some more expert person will tell me I am outdated—as the natural sciences. There are also a lot of people there who are concerned with the science of human behaviour in one way or another. It is not all or nothing. I think that the various things I have talked about will help, such as David Halpern or his successor at What Works being in that group and some other department having a social scientist appointed and that person having a specific remit to look more widely. I do not think that any of those things, even if we had a chief social scientist who is literally named that and who did nothing else, would solve the problems of co-ordination of the kind you are describing. Those are much more to do with the co-ordination of the level of policy and hence much more to do with making sure that Ministers are properly connecting our activities than with the structures of the Civil Service. I think there is always more work to do on that. This Government, like previous Governments, have established their apparatus for trying to make sure that we do things in a coherent way. We have taken that rather further than most with the business plan process and the establishment of my own post. On the whole, rightly or wrongly, what this Government have done is reasonably well co-ordinated, but there is always more to be done on that front; I am very conscious of that.

Baroness Hilton of Eggardon: The advantage of a social scientist, in my definition of the term, is that they have a background in evaluation, scientific methods, statistics, and so on, which your rather wider definition of social scientist would not include. I think our concern is that evaluation and establishing a decent database for knowing whether things are successful or not is what, perhaps, is needed.

Mr Letwin: On that I agree with you. That is very important. On that particular point, the What Works centres are our method of trying to get serious evaluation done, so it is the What Works national adviser who is the most important person to have on that group. That certainly needs to be somebody with a background in these matters, as David Halpern does. As I say, I think a large part of your desire to see a chief social scientist in particular is already achieved by having a What Works national adviser and a What Works centre.

Lord Krebs: Just to follow up that last point if I may, Minister, in the announcement that you made back in 2013 on the What Works centres, with regard to the national adviser you said, "Within Government a civil servant will be appointed as national adviser to engage with Ministers", and so on. That has turned out to be David Halpern, so it is someone who is not really in government in the end, or to that effect.

Mr Letwin: He is someone who was a civil servant and is under contract to the Government. I do not think it matters terribly whether they are an established civil servant or not. What does matter is that they are people who are doing that job as part of the government apparatus. I assure you that in that committee and elsewhere he is regarded as fully part of Whitehall.

Q52 The Chairman: In our original report in 2011 we were very hopeful that there would be an archive both of successful and of unsuccessful interventions. If this has been done it does not appear to be available to the wider public. It does not appear to be publicly accessible. Is this the case, and why can it not be made available if there is such an archive?

Mr Letwin: There are two senses in which one can have an archive. One is of the actions of the Behavioural Insights Team and of government in adopting their actions, and an archive is building. That is what the annual report of the Behavioural Insights Team does. It is all there on the web, and obviously with the marvellous modern technology one can compare one year with the next, so you can quite easily see what is going on and what is succeeding and what is not. It is painfully transparent that some of its actions have succeeded abundantly, some have in part, and some not at all. It is there to see.

There is a much wider question of building up an archive of successful and unsuccessful policy interventions and practical measures by government, and that is what the Work centres are precisely there to do. A vast, world-leading archive of successful and unsuccessful interventions, documented properly, evaluated and continuing to be so over a long time period is precisely what centres are going to begin to provide. We are doing exactly what the committee wanted in that respect.

The Chairman: Thank you. That is encouraging. Lord Wade.

Q53 Lord Wade of Chorlton: My question is: do you accept that there is potential conflict between the localism agenda and the need to design, implement and assess behavioural change intervention effectively? I would like to widen that question a little bit, because you are now in a Government where you are inundated by every possible pressure group you can imagine, so every view is expressed to the Government, and not only the Government but to the media and everything else. Once you take a view that you are going to use behavioural change techniques to impress one particular thing, the chances are you are upsetting somebody else.

Ultimately, is this a political issue? Do you think, particularly with the localism agenda, where you are giving more power to people, or at least more influence to local people, and they do not get the power that they expected to get but they do get the influence, that you are going to get a clash if you use behavioural change techniques to move to change something that certain people do not want to do? Is that a political issue, from your point of view? Do the Government think it is an issue? It may not be an issue with the matters that you are dealing with now, but could it be an issue? How do you bring together the local attitudes of groups of people with the idea that government has to act for the nation?

Mr Letwin: It is a rash thing to say that something could not be an issue. I do not think there is a conflict or tension at the moment. On the contrary, there is a considerable synergy here. One of the points that we have been stressing, right through the evolution of taking behavioural economics and behavioural science seriously in the last four years in government, is that we should get away from the idea that there are obvious questions and obvious answers and move to much greater recognition of what seems to me is obviously true, which is that you need to experiment, you need to innovate, you need to find out what works and you need to try something else if it does not.

If you are trying to foster through the public services programme, and many other means, a more innovative texture of things where people feel empowered to try things out, see whether they work, evaluate them properly, report back and either get it more widely adopted or assist change, one of the things you then want to do specifically is localise. It is by empowering individual organisations and particular communities to take affairs into their own hands that you are more likely, in our view, to get innovation. As long as you then have a proper means of finding out what the results of that were and evaluating, you benefit hugely from the degree of experimentation. I say all this somewhat diffidently in this company, because for those in this company who are distinguished scientists this has seemed so obvious to scientists for so very long that it is extraordinary that it now seems revolutionary in government to be acting this way. It is, in fact, a world-leading activity; it is very unusual.

We are discovering that in many cases it is producing remarkable effects. If I could adduce the case of neighbourhood planning, the single biggest shift of power that is going on in this country at the moment from the centre out to the very local level—the neighbourhood, the village, the parish, the ward in the city—is the power over planning, which matters extraordinarily to people. Nothing makes for a larger public meeting in my constituency than a planning issue relating to a particular village. Until very recently, planning was decided somewhere else; the village had no control over it. We have created a system of neighbourhood planning that gives people not influence but power over their planning for their neighbourhood over the coming five or 10 years.

Lord Wade of Chorlton: I have to disagree with you. I can take you to every village in the north of England, where the people have ended up with something they did not want.

Mr Letwin: That is because they have not yet adopted neighbourhood planning; 1,000 parishes have.

Lord Wade of Chorlton: They have not done something that they should have done.

Mr Letwin: No, no, no, it is up to them.

Lord Wade of Chorlton: It has not worked as you expected it to work. It has not worked the way the people have expected.

Mr Letwin: On the contrary, it is working as I expected it to work, which is that so far 1,000 parishes have started the process. So far, 17 that have done it, and it will now expand rapidly as that thousand moves through and other thousands come behind them.

Lord Wade of Chorlton: The damage has already been done.

Mr Letwin: No, that is a different matter.

Lord Wade of Chorlton: I am talking about—

Mr Letwin: I am talking about a neighbourhood planning process where we have given a huge amount of power to the localities. You can agree or disagree about whether this is a good idea. As a matter of fact, the villages you are talking about will not have done it. If they do it they will discover they have the power. What we are discovering in the course of them exercising the power—and this is the point I am trying to make—is that they are doing it in very different ways. There are certain things they have statutorily to do, but there are other things that are very much under their control.

We are developing a huge test bed that is entirely innovative—it has never happened before in our history; neighbourhoods have never been allowed to do this before—of different methods of going about designing and planning their villages, their parishes and their neighbourhoods over the next 10 years. As we do so we have the opportunity, because it is all very transparent, to discover what they have done and to see which of them two, five, 10 years later and so on are satisfied with where they are and those that are not. We will discover out of that a whole realm of understandings about the business of community building that we never had before. That comes out of genuine and rather radical localism that I do not think could ever have been generated by a centralist agenda. I do not think we could have mandated people to do things differently. The only way you get the differences to emerge is by empowering them and letting them do it, and that is a paradigm of what happens as you localise. You get more and more local innovation, and if you capture the results you will discover a lot about what works and what does not work that you would never have discovered otherwise.

Q54 Baroness Hilton of Eggardon: I am in support of Lord Wade on this point. We have just had an instance in my part of south-west London where all the local community was opposed to Sainsbury's opening a convenience store. The borough was opposed to it but it was overridden by the Minister. That is not localism.

Mr Letwin: No, but it is also not neighbourhood planning, which is what I was describing.

Baroness Hilton of Eggardon: But I am supporting what Lord Wade is saying, which is that the system is just not working.

Mr Letwin: No. There are two separate things here. One is the old system, which is what you are both talking about, and your dissatisfactions with it—and there are dissatisfactions with it. I am talking about a new system of neighbourhood planning which neither of these examples involves. I am not here to make a case for neighbourhood planning—you can agree with me on this bit; I am just saying that because it gives power to the neighbourhoods, they are doing things that are wholly unanticipated by the centre. They may be right or wrong things—that is entirely a different matter; but it enables them to do a whole series of things, and you do discover that they do things in different ways as a result. I am merely making a set of factual observations. I am not making a political point about whether neighbourhood planning is good, or indeed whether the rest of the planning system is good or bad; I am just observing that when you localise and empower you discover things about people's innovation that you cannot discover otherwise. I think that is a fact, not a political observation.

The Chairman: A last contribution from Lord Krebs.

Q55 Lord Krebs: Just very briefly. Thank you, Lord Chairman. You described how one advantage of the localism agenda is that you can, to use a hackneyed phrase, "Let a thousand flowers bloom". Surely that builds up a headache for the future when you want to evaluate the effectiveness of different forms of intervention or policies? Speaking as a scientist, if you are going to design something that is going to be evaluated, you have to do the designs in a structured way. You will have a headache if you have 100 different projects that are all completely different and there is no replication. You cannot tease out what the causes of success or failure are. We heard a specific example of this: in the Department for Transport's sustainable transport local transport fund, there are 96 projects, no two of which are the same. How on earth are you going to be able to evaluate what works and what does not work?

Mr Letwin: This is always a tension. I accept that if you have thousands and thousands of different approaches, it is difficult systematically to observe which are more successful than the others in various respects. However, where there are significant innovations and several different groups of people trying innovation A and several other groups of people trying innovation B, you begin to develop a test bed. If you observe it properly, if you keep track of it properly, it is a very powerful source of data. If we compare it to medical innovation, a topical subject, if no doctor had ever experimented with any new form of treatment, you could have had all the apparatus you wanted but we would have lost a huge amount of innovation that has occurred in the process. I think there is a balance to be had here.

Certainly as we allow people to experiment more, if we capture what they are doing we will know more than if we simply continue on an absolutely monomaniacal centralist agenda and do only whatever the centre has decided to do only, because then you have no means of comparing it with innovative approaches. There is no perfect answer to this, but it is extremely likely that the degree of localisation that is going on at the moment will foster a degree of innovation that gives us a degree of ability to compare and contrast things that seem to be working or seem not to be working better than in the past. At that stage, to take the analogy with NICE, you want to say, "This looks as if it seems to have had a spectacular success in this place and that place. Let us see whether, if we try it on a much wider basis and compare it with a control group, or not—as in a formal clinician trial—it proves itself".

I do not see these as opposites; I see localism as a means of fostering innovation and finding out interesting things that seem to work that can then be tried in a more systematic way and may then become either universal or very widespread.

The Chairman: We have run out of time. Minister, we are most grateful to you. You have been extremely patient and we have had a very informative hour or so. My prediction is that we will follow it up by a short letter to government with our further thoughts on our original report, but we are most grateful. Of course, in the normal way a transcript will be sent to your office in case you want correct the record in any shape or form.

Mr Letwin: Thank you.

The Chairman: Thank you very much indeed for your help.

Professor Theresa Marteau, University of Cambridge, the National Institute for Health and Care Excellence (NICE) and the Department of Health – Oral evidence (QQ 24-43)

Transcript to be found under Department of Health

Professor David Metz, University College London, the Department for Transport and Sustrans – Oral evidence (QQ 10-23)

Evidence Session No. 2 *Heard in Public* *Questions 10 - 23*

TUESDAY 6 MAY 2014

Lord Krebs (Chairman)
Lord Dixon-Smith
Baroness Hilton of Eggardon
Earl of Selborne

Examination of Witnesses

Professor David Metz, visiting professor, Centre for Transport Studies, University College London, formerly Chief Scientist, Department for Transport, **Mr Jason Torrance**, National Policy Director, Sustrans, **Ms Deirdre O'Reilly**, Head of Social Research & Evaluation (SRE), Department for Transport, and **Ms Tricia Allen**, Head of Sustainable Transport (Programme Implementation), Department for Transport

Q10 The Chairman: Welcome. In a moment I would like to invite our four witnesses to introduce themselves for the record. You are aware that this is a very short follow-up inquiry to our 2011 report on behaviour change, in which one of the questions we asked was how the Government might encourage the population at large to shift their forms of transport more from cars towards cycling or walking or possibly using public transport. We looked at the range of interventions, including softer behavioural interventions and regulation and restrictions, as well as investment in infrastructure. What we would very much like to hear from you as experts in this area today is how the picture has changed in the intervening three years. That is what we will be addressing with you, but perhaps first of all I could invite you to introduce yourselves for the record, starting with Deirdre O'Reilly.

Deirdre O'Reilly: My name is Deirdre O'Reilly. I work for the Department for Transport and I lead an analytical team of social researchers. I am Head of Social Research & Evaluation in the department and we have been supporting Tricia.

Tricia Allen: My name is Tricia Allen. I am the head of the implementation team in local sustainable travel. I manage the delivery of projects that we fund to encourage the uptake of sustainable travel.

Professor David Metz: I am David Metz. I am a former chief scientist at the Department for Transport, currently a visiting professor at the Centre for Transport Studies, University College London, where I do research and publish on travel and transport generally.

Jason Torrance: I am Jason Torrance. I am the policy director at Sustrans. We are a UK-wide charity, working not only with national Governments but with local authorities all over the countries of the UK on practical programmes to encourage people to change their behaviour and promote walking, cycling and public transport.

The Chairman: Okay, thank you very much. Now, because there are four of you and we have, roughly speaking, one hour in which to complete the session and we have a number of questions we would like to get through, I hope I could encourage you to respond pertinently but succinctly to the question that we put to you. I am going to kick off by asking for some facts. Purely factually, how has the relative use of different forms of transport changed since the 2011 report that we published? Have people shifted from cars to walking or to cycling or to using public transport? Who from DfT would like to kick off?

Deirdre O'Reilly: I can start with that one. It has only been three years since the last report and, looking at the national level, there has not been that much change over the period—nor would we expect to see a huge amount of change anyway. In terms of personal travel trips, the modal share that car and cycling have has been roughly stable—64% of trips are by car and 2% are cycling—but there has been a downward trend over time in the amount of walking, which now represents about 22% of all trips. There has been a slight upward trend in the use of public transport. I think what we would say is that we would not expect to be able to see at the national level a big change in modal shift because quite a lot of the interventions and investments have been in small and/or; very targeted local areas. Also, I think the figures I have just alluded to do mask some other changes at the local and regional level. I think I will hand over to Tricia, who is going to just briefly talk about that.

Tricia Allen: We have various documents that support what we are saying, so we can provide those afterwards should you need them.

The Chairman: That would be very helpful, if you would send us the documents.

Tricia Allen: Yes, sure. While it is reporting on data up to 2011, the report itself only came out earlier this year. Looking at cycling to work, it is census data[20]. So it is looking at the difference between 2001 and 2011. What is interesting about this report is that at the national level it does not pick up any significant change, but if you look at the city or town or region level there are all sorts of different changes going on across the country. For instance, London has seen an increase of 100% cycle-to-work trips. Bristol, which was the first cycling city with DfT investment from 2008 to 2011, has seen a 94% increase in cycling. Brighton and Exeter, which were both cycling demonstration towns, had funding from 2005 to 2011. Brighton has seen a 109% increase in cycling to work; Exeter 53%. There are different ways of analysing the data. While the national travel survey will give one picture and the census at a national level is one picture, if you drill into the detail, there is some very interesting and rich variation. We can provide that report if you want.

Q11 The Chairman: Thank you, yes. Do you agree with what the Chief Medical Office, Dame Sally Davies, said of cycling and walking? She said: "In order to improve uptake we need to improve safety. The relative risk associated with journeys by active travel methods are unacceptably high and must be reduced". She then went on to give the figures. Do you see

[20] http://www.ons.gov.uk/on/dcp171776 357613.pdf

that as an important part of DfT's policy imperative, to increase the relative safety of cycling and walking?

Tricia Allen: Absolutely. That is part of how programmes are designed. Certainly a lot of our cycling investment is very heavily focused on capital investments, which leads to infrastructure. Infrastructure improvements are designed to improve safety.

The Chairman: I live in the city of Oxford, which is supposedly a big cycling city, but any of us who cycles around knows that it is extremely dangerous because the cyclists are put in the gutter, given the potholes and the buses and very narrow roads, so it is a recipe for accidents, and accidents, including death, happen all too frequently. With a city like Oxford, would you be hoping to see investment to change that to make it safer?

Tricia Allen: Yes. In fact, Oxford was one of the cities that applied for the cycling ambition grant funding.

The Chairman: Did they get it?

Tricia Allen: They did. They were one of the successful ones.

The Chairman: So I can look forward to safer cycling in future.

Tricia Allen: Well, it was an ambitious bid in terms of what they wanted to do, but it was not city-wide. It is targeted on one particular roundabout that is particularly hazardous, out on the east. It is a very targeted intervention. I think they are only getting just under £1 million from the departments.

Professor David Metz: London is a very interesting case study, because there is a long-term, quite marked shift away from car use. In London, car use was at its peak in around 1990, when 50% of all journeys were by car. It has come down steadily. It is now down to 37%. What is happening is that the absolute amount of car traffic and car use in London has been stable for 20 years, but because the population has been rising, the share of journeys by car has been falling. With the population due to reach 10 million between 2030 and 2040, the car share will continue to decline, I estimate, to about 30%. Over a 50-year period, car use in London will have gone from 50% of all trips down to 30% and that is a huge shift, but not due specifically to interventions to reduce car use. It has come about for wider reasons to do with land use and the provision of infrastructure. So it raises the question about the relative importance of measures designed specifically to change behaviour as regards cars, as opposed to wider measures that are not optional, which cannot be avoided by car users.

Q12 The Chairman: We might come back to follow that up in a bit more detail in subsequent questions. Jason Torrance, would you like to add anything?

Jason Torrance: I agree with Department for Transport colleagues that three years is not a great deal of time for us to see significant change. But what we have certainly seen from the projects and programmes that we deliver around the country is a real appetite from local authorities or from devolved-nation Governments. Certainly, on our network, the national cycle network, we have seen a year-on-year increase of the amount of trips taken.

More broadly, in the last three years, we have seen a number of, I would say, quite worrying developments that stand in the way of significant behaviour change on the ground locally. Just very briefly, budget cuts on local authorities have had a real impact, because the changes and the delivery have to be implemented locally, both with national Government investment and local government investment as match. Secondly, the localism agenda that is being rolled out around the country is a real challenge. Looking towards 2015 onwards, we see the end of dedicated funding for behaviour-change programmes. The evidence will see that the Local Sustainable Transport Fund has been a great investment, when the evidence becomes available, and this was dedicated funding for local authorities. From 2015 onwards, we have the single local growth fund, and I daresay we may see local authorities making other choices.

Just echoing Professor Metz's point around the importance of political leadership, I think government priorities across the UK, in the UK Government, are focused elsewhere, very plainly, in transport. We see very large amounts of investment going into roads, the road network, into aviation and into the rail network, HS2. These are long-term funding aspirations, which are not matched on the walking and cycling arena, where we have had some very welcome investment, but very short-term investment. The budget cuts, localism, and government priorities being elsewhere have, in the last three years, been a worrying trend.

Q13 Earl of Selborne: I would like to follow up Jason Torrance's observations about the Local Sustainable Transport Fund, which was described as an excellent investment, or will be proved so once the evaluation is done. It would be helpful to know precisely what evaluation will be sought and what assurance that will give, and also to remind you what we said in our original report in 2011. We said we welcomed the principle of the Department for Transport's Local Sustainable Transport Fund, but we noted that the initiative was based on a pilot project of the sustainable travel towns—Darlington, Peterborough and Worcester—and we were quite critical about the fact that there did not appear to have been a proper, complete evaluation. Maybe you would like to comment on that. We said that the pilot did not wholly reflect the evidence about how to change transport-mode choice.

One of the issues came supported by oral evidence that Professor Metz gave us, who pointed out that in order to be effective with local policies, you did need a bit of stiffening; you needed regulation. He said there was not a lot of point alleviating traffic if then people simply benefited by working out their rat-run or whatever it might be, because of other people's behaviour change. In other words, we were looking for a much more integrated approach, where there was a bit of regulation as well as insight on behaviour change. Bringing this all together, would any of you like to comment as to how these different strands have been implemented within the sustainable transport fund?

Tricia Allen: I am happy to take that first part of the question. I think Deirdre might address your second point about the sustainable travel towns evaluation. Is that good?

Deirdre O'Reilly: Yes, that is fine.

Tricia Allen: As to the Local Sustainable Transport Fund decisions, 96 projects are being delivered across the country. They were announced in 2011 and 2012. They all come to an end by March 2015. There is £600 million-worth of investment for the whole fund. Of the 96 projects, no two were the same, so there is huge diversity across the country—everything from a project for £300,000 to Centro spending over £30 million, so an enormous range. We embarked on a consultative process, a very participative process, with local authorities and academics and experts in the field, about how to design an evaluation framework for the fund because, recognising the diversity of the projects, it was a very different exercise from the sustainable travel towns, which effectively applied the same data collection process in three towns. It was going to be impossible to set out a framework that simply said, "Collect this data for 96 bespoke projects".

The result of that process is the publication of a monitoring and evaluation framework that we can supply you with.[21] In essence, there are three strands to the evaluation framework. All projects have to generate outputs data on an annual basis. We provide the framework for how they report on that, and we summarise the outputs through annual reports.[22] This is the first one; the second one is just about to be published. We will keep doing that until the end of the programme. Every project has to tell us what the money has been spent on, with some description of what effect.

The second element of the framework is targeted only at the 12 large projects that have over £5 million. I have one example of those 12 deliverables. They need to produce an outcomes monitoring plan. This is their first one, which basically shows what data they have to measure the baseline before the investment went in, or certainly in the very early stages of the programme. We expect to get one of these each year until I believe, March 2016, so that data can be collected after all the interventions have been put in. As you can see from the size—we have 12 of these—they are pretty large and pretty comprehensive studies of what is changing on the ground across all modes, as a result of the interventions, which are still quite variable in style.

The Chairman: I am sorry to interrupt. Could you give us an example, of say, a couple of outcomes?

Tricia Allen: Looking at whether there has been a significant change in transport choices; whether there has been any carbon reduction impact; whether there has been economic growth benefit. In terms of the actual goals of the fund, economic growth and carbon reduction are the two primary goals and the outcomes monitoring plans are designed to attempt to report against those outcomes. On the secondary objectives—health, safety, well-being, air quality, environmental benefits—there is quite a wide range of indicators.

The Chairman: Are the reports independently evaluated, because it is entirely self-reporting?

Tricia Allen: A lot of them are being delivered by consultants who have been hired by the local authority to design the framework. I will come back to that in a minute, when I have explained the third element of the framework; I will come back to how they do that.

The third element of the framework is to do some case studies. We have some in-depth case studies that are drilling into the detail on where we believe there are evidence gaps where we need to improve our understanding. Those are around local economic regeneration; what is happening in town centres as a result of this investment; and carbon reduction. There is a specific case study looking at how well the carbon impact of sustainable transport measures can be measured during and after implementation.

Then there will be a meta-analysis that will bring it all together. While it is fairly broad-ranging, it is attempting to be proportionate to the investment, given that it is quite wide-

[21] https://www.gov.uk/government/publications/local-sustainable-transport-fund-monitoring-and-evaluation-fund
[22] https://www.gov.uk/government/publications/local-sustaibable-transport-fund-annual-report-2011-to-2012

ranging from small to big. If the local authority gets a lot of investment, they have to do a lot of evaluation. If they do not get much, it is quite minimal PTEG produced—

Deirdre O'Reilly: The Passenger Transport Executive Group.

Tricia Allen: Thank you. PTEG produced a report that was designed specifically to enable local authorities to improve their skills in monitoring and evaluation. It was produced by AECOM. They won it through a competitive process. DfT was involved on a steering group to ensure that this was going to be a good piece of work, and I believe we produced some technical assistance to the production of the report. This is published through our knowledge hub, which is a semi-public website which people can join if they are involved in the fund, and it is shared quite widely across local authorities. The intention was that, through the framework, there are plenty of tools and resources to enable local authorities to achieve good outputs from the evaluation, and the department is centrally managing how the process unfurls.

Deirdre O'Reilly: We are quality-assuring some of the frameworks that are produced for the individual areas.

Just briefly, you mentioned the sustainable travel towns. There was some evidence at the time, which I think was provided to the Committee, about the effectiveness. Lynn Sloman talked about some of that. Since then, I think the department and the Committee both recognised that we had not looked at the medium and longer-term impact of some of these changes. The department has been back to the towns that were involved, Peterborough, Darlington and Worcester, and seen whether they are continuing to collect important monitoring data and information on interventions. We also went and talked to the evaluators. Having looked at the feasibility, the department is currently commissioning a further evaluation of that data to look at the more medium-term and longer-term impacts, which is quite an important area.

Earl of Selborne: So evidence is still being collected from these three towns.

Deirdre O'Reilly: Some evidence is still being collected from those three towns. We think that this is really important because, while for the LSTF we will get some very important evaluation of the short-term impact, we need to also look at the medium-term and longer-term impacts.

Q14 Earl of Selborne: Of course, we were commenting just two years after the sustainable travel towns initiative had completed. Presumably, by definition, you could not have had your long-term results. But, just going back to the concept, here we have localism being applied. Local authorities, commissioners, are encouraged and given guidance on how to put forward these different initiatives, with behaviour measures one, but only one, part of the portfolio. As we have heard from Mr Torrance, if you are relying, as you must, surely, on infrastructure planning, on provision of new public transport modes, this has not been funded as hoped. The funding has dried up, in many cases. Does this not mean that the local transport fund, the sustainable transport fund, has not been able to do what was expected?

Tricia Allen: It is probably a little early to be able to say that, because the programme is still being delivered. The programme does not end, in its current form, until March 2015. I think some of the projects are investing in bus services, for instance, so where there is marketing and communications to encourage people to consider shifting to the bus, that is always done in a complementary fashion where the bus service is fit for purpose. I do not know of any project that is promoting and encouraging mode shift where the options to choose from are a poor offer. All the practitioners are excellent at judging what is an appropriate programme, so in terms of whether the infrastructure needs to go in first and then the marketing follows, that is all part of the design of the sustainable transport projects. Not every project that bid for the fund was awarded funding and one of the testing questions was: is this a package that makes sense, in terms of its deliverability? There is no point in marketing a bus service that is about to be cancelled. Those sorts of things, if they ever came to light, would not have been passed.

Q15 Earl of Selborne: Professor Metz referred specifically to London and the fact that we have peaked in London in terms of car passenger movements. Are there any specific lessons, not just for London but for other areas, arising from the initiatives that were undertaken during the Olympics, where a lot was achieved, apparently, in passenger and freight transport behaviour? Do we have any lessons there to roll out?

Professor David Metz: I think there is a lesson from London generally. What you have heard of is a central budget allocated on a competitive basis in response to bids from local authorities who will spend the money and it will be monitored and so forth, and the outcome will be whatever the outcome is. In London, it is a different process. We have London as a city region, headed by the mayor, who has, uniquely I think, the duty to prepare a plan for both economic and population growth, of which transport is a crucial element in meeting those wider objectives. It seems to me that that is the right way to follow, not to stimulate activity by being able to bid to central government, but to have a planning process in which transport is a means to an end, the wider aim being economic growth and accommodating population growth.

In London we have Transport for London, which is a world-class executive and planning body. You mentioned the Olympics. I think the Olympics showed its capacity to cope with a high level of stress very effectively because of the resilience of the underlying systems. I would see the Olympics as merely one example of the strength of transport planning and operations in London. I would say that in London we are on track to having a world-class transport system, because of the governance arrangements, where the funding, for example, for the mayor's nearly £1 billion intended allocation for cycling can be planned by him over a considerable period of time. It does not depend on having to bid to the Department for Transport for a slice of funding. I think we should be thinking about making the other cities of Britain responsible for the totality of their economic and social development, in which transport is just one element. This kind of drip-feeding from the department, while admirable in terms of what it is doing in a narrow sense, is not conducive to good long-term planning for transport and the built environment generally.

Jason Torrance: I would agree with that. However, I think there is a challenge in assisting the transition of cities outside of London to become more devolved and have more powers. Of course, we need to remember that the journey has been undertaken for many years, if not decades, in London, and cities and regions outside of London have not had that experience. In terms of investment in walking and cycling, it has come in London as a part of a much larger plan through political leadership—as part of a wider plan. Outside of London, cities do not have those powers, responsibilities or political leadership that come from it. In the short term, we have a real challenge in terms of the culture change that I would say London has undertaken, and the other cities have not been able to undertake. In terms of the investment in walking and cycling, what we see time and time again is a focus either on plugging gaps in emerging budget deficits locally, which may be varied, or, in terms of transport, on road investment. Certainly, from city or local transport planners, that seems to be the natural tide or current forcing them towards road building and planning, whereas in London we are developing a very different course. While I very much support this approach, and I think it is absolutely the way to go, in terms of devolved governance and more powers and responsibilities, there is challenge in supporting and enabling the spending of moneys on walking and cycling with that.

Q16 The Chairman: Perhaps I could come back to your colleagues from the Department for Transport. As you know, we have just been hearing evidence from the Behavioural Insights Team, who explained to us in a very, I thought, persuasive way how they had encouraged the uptake of randomised control trials by government departments. In your thoughts about the sustainable transport fund, did you consider whether that money should be deployed in the form of randomised control trials? Clearly, you decided it should not be, because you have said your policy is to let a thousand flowers bloom—in other words, to let people bid in for what they think is good for their local area or city without considering the question of what the balance should be between investment in infrastructure, investment in education, and so on. Why did you not follow the advice of the Behavioural Insights Team in adopting an RCT approach?

Deirdre O'Reilly: Randomised control trials are fairly standard in some areas of government and certainly in areas where there is quite straightforward ability to undertake such trials—for example, in parts of the Treasury, where they send out letters to a large number of people. That sort of design lends itself to allowing for randomised control trials e.g. to improve compliance. With something like the Local Sustainable Transport Fund, as you rightly said, it is developing what the local authorities are suggesting they need in order to produce these integrated programmes and therefore not necessarily lending itself towards that kind of trial design.

We have worked with the Behavioural Insights Team at the Cabinet Office— on a number of other behavioural insights-type approaches and how we can develop those within this area, for example electric vehicles. We are providing guidance and capacity building to the LSTF bidders involved and the local authorities, to build capacity in that area. But in terms of identifying this as a randomised control trial, we did not feel this was appropriate. We are on the lookout for trials in the transport area. You may be aware of one that is not transport related, but is through the DVLA, on organ donation, which is more akin to a randomised control trial. With this local package approach, it is less easy to design an evaluation, of that nature.

Tricia Allen: Also, in the spirit of localism, the intention of the fund when it was launched in 2011 was that it was an offer to local authorities to improve conditions, such that local sustainable transport could be chosen by more people. It is over to the local authorities to define what that looks like, so then we received 130 incredibly diverse bids on what that looked like locally.

Q17 The Chairman: I do not know, Professor Metz, if you have a view on that. I think you have indicated that you thought that the more coherent approach that London had adopted, strategic approaches, may perhaps be more likely to bear fruit.

Professor David Metz: I think there is this problem if you have a process by which local authorities can bid to meet their local needs, when you will get a huge diversity, as we have heard, which makes it more difficult to make comparisons. I suppose the one thought I have is that in this area you have both soft measures and hard measures. Soft measures are the marketing-type measures where you try to induce people to change their behaviour; the hard measures are things they cannot avoid. You might envisage a comparison of situations where you go for soft measures only, with comparators, similar approaches to the marketing side, where you also include the hard measures.

The three demonstration towns that have been mentioned were all soft measures, and the impact on car trips was a reduction of the order of 10%, but the best estimate of the impact on traffic was a reduction of about 2%, one presumption being that the space created by some people giving up their cars was taken advantage of by others. If you had a comparison group with three other towns where they had also put in the harder measures—taking away some road space for bus lanes or cycle lanes—you might have been able to see a bigger impact on traffic. That sort of comparison would be illuminating because the question is: how much effort is worth putting into soft measures if it is really the hard measures that bite, that have teeth and that cannot be avoided? I think the experience of London is that it is the hard measures that have driven the shift away from cars, because there has not been much, if any, in the way of the soft measures within London.

The Chairman: Tricia Allen, would you like to respond to that? Do you agree with Professor Metz?

Tricia Allen: I would like to respond, absolutely. When the fund was established, it was two-thirds revenue, one-third capital, in response to local authorities saying it is very difficult to invest in soft measures. When the bids came in and the 96 successful bids were awarded funding, the sum of all those bids came to 50/50 capital/revenue, so we rearranged the funding profile such that we could afford those 96 projects, which were more capital based than we had anticipated. That whole process has led to a whole series of questions, which we know we do not have the answers to, so we have commissioned some research recently to examine that very question that David has touched on: to what extent does revenue investment enhance capital investment in sustainable travel? Does it have a measurable increase or does it not make any difference at all? We have an incredibly good study team who are looking at this question right now.

Q18 Earl of Selborne: Just coming back on this, one of the points we made was that we accepted entirely that there must be a combination of hard and soft measures, but we felt that the guidance that the Department for Transport were issuing to commissioners simply did not take sufficient account of the need for these strong disincentives—in other words, the hard measures—as well as the soft measures. Has the guidance changed?

Tricia Allen: Do you want to cover that on the revenue guidance? No, that probably does not cover it, because—

Deirdre O'Reilly: No, that would be different.

Tricia Allen: I suppose what is difficult to answer about that question is that, going forward, looking at after the fund finishes, 2015 and 2016 and beyond, the funding streams for sustainable travel have been split into two different places. The capital funding will flow through the local growth fund that Jason mentioned earlier. That process is very different from the way that the revenue funding will flow. The department is running a competitive bidding process for revenue, while the local growth fund process is being led through the LEPs and being managed through a cross-governmental process. In terms of the guidance for how capital measures should look on sustainable transport, that all flows through a much bigger process of delivering capital investment, probably very much in the way David is describing—a much more all-encompassing, multi-functional programme of delivery at a local level. We have not written that guidance, because it is a cross-governmental initiative. It is not something the Department for Transport owns.

Jason Torrance: I would say that, on a longer-term basis, we continue to have a bit of a postcode lottery. Certainly, while welcome, I think the sustainable transport fund, the cycle safety fund and many others rewarded forward thinking, proactive local authorities and, of course, when there are winners there are some losers. This was really a symptom of a lack of national government priority at a ministerial level to invest in the same way we are seeing investment flow for high-speed rail or on roads, and so on. I think we have another challenge coming up, perhaps even a crisis, of revenue funding. The revenue funding to complement the just over £2 billion single local growth fund is managed, as Tricia said, outside of the single local growth fund, by the Department for Transport, only with one year secured so far. Beyond 2016, it is very uncertain times for local authorities, not only in terms of any revenue funding they might like to match any transport investment with but revenue funding more broadly, with those budget cuts that I mentioned at the beginning. So, results of the study that Tricia mentioned outstanding, in terms of capital revenue, we are told time and time again that revenue funding is a critical part of delivering behaviour-change programmes and there is a diminishing amount of revenue funding.

Q19 Baroness Hilton of Eggardon: I understand that the Government has been consulting on a policy for a national road and rail network. Are you able to tell us anything about the extent to which behavioural measures will be involved in that future policy, or is it too early to say?

Deirdre O'Reilly: It is fairly early to say and unfortunately we were not able to get a colleague from the policy team to join us today. If the Committee will allow, my colleagues in DfT have provided a written response to that question and also, because it is a very broad policy question it may be one that you would put to a Minister. I understand you will be inviting a Minister to this Committee in June or July.[23]

Baroness Hilton of Eggardon: Who is driving this particular inquiry?

Deirdre O'Reilly: There has been a consultation and they will be responding to the consultation. The department is due to respond to that consultation later this year. That is my understanding.

Baroness Hilton of Eggardon: Which department though, I am sorry—not transport then?

[23] Please see the Department for Transport supplementary written evidence.

Deirdre O'Reilly: The Department for Transport will be responding to the consultation. I am afraid I do not know the answer to that question (Q19) but it is included in the written response.

The Chairman: You can certainly give us the written response. That will be helpful.

Deirdre O'Reilly: Yes.

Jason Torrance: May I say something, my Lady?

Baroness Hilton of Eggardon: Yes, please do.

Jason Torrance: I think the national policy statement on infrastructure is a huge opportunity, and this is what has been consulted on at the moment. This is the strategic road network and, certainly for encouraging behaviour change, changes in that strategic road network, both in terms of its layout, in terms of crossings, junctions and its interface with the local road network, are absolutely critical. I think there is a whole range of opportunities for investment, guidance and requirements in the development of the network and the spending of what, we understand in the next term of Parliament, is hoped to be very substantial sums of money.

Q20 Baroness Hilton of Eggardon: One of the other concerns that we had in our original report was about carbon emissions, which seemed to be much worse in relation to medium and long-term journeys rather than in relation to short-term ones. That cries out, does it not, for a strategic framework rather than this localism that the Government seems intent on. A scattergun approach is not going to help with dealing with strategic issues like that. Have you any reflections on that particular issue?

Deirdre O'Reilly: I think that is a fairly broad policy question that I would put to a Minister to answer. It would be speculation for me as an official to answer that question.

Professor David Metz: Can I comment on that? I thought the draft national networks policy framework was a bit disappointing in a number of respects. We will see in due course how the Government responds to the comments that were made. It did not at all recognise the importance of population growth and it paid far too little attention to carbon emissions. Now, in the latter context, the balance between road and rail is clearly important and what we have seen is rapid growth in rail travel and probably not much change to long-distance car and lorry use on the strategic road network. The growth of traffic on the strategic road network I think is largely due to local traffic making use of it for trips going to work and things like that, but the statistics that the department collects does not distinguish between local and long distance. So what one would want in terms of sustainability and carbon emissions is to keep the shift going from road to rail, and that is a practical policy, and it will be helpful, as will, indeed, other investments in the rail system, but this does not come out in the draft national networks policy statement.

Baroness Hilton of Eggardon: Do you have anything? Presumably this is something that is close to your heart.

Jason Torrance: Yes. As I have mentioned several times, I think there is a deficit of national Government leadership from a ministerial level to address very great issues of our age, such as climate change, such as air quality, such as fiscal inactivity, and that needs a national strategic approach that creates investment opportunities, such as the investment opportunities with HS2 or with the investment in air travel or with road building, but we are just simply not seeing it with the strategies that we need to see, in terms of enabling people to shift from car transport to walking/cycling, for what, let us face it, are the majority of the journeys we take that are local in nature. I think we need a national strategic response to assist local authorities to respond appropriately at their local level, but you set incentives partly by your investment patterns and, while large-scale investment in transport is going on, continuing to build up our strategic road network and our high-speed rail network, there is little left for behaviour change locally on the ground.

The Chairman: Deirdre or Tricia, would you like to come back on this?

Deirdre O'Reilly: I could come back very briefly. In what has been provided to me, it says that the National Policy Statement is clear that the Department and Government are trying to make sure to provide options to choose sustainable transport modes. In that respect it is promoting the door-to-door strategy[24], which is a new strategy that was produced last year. It also identifies the case for rail network and strategic rail freight interchanges and supports modal shift investment in that, especially where it has proved to be value for money, and also investment in the uptake of ultra-low-emission vehicles. There is some good news on some of the work that is going on, on electric vehicles and the decarbonisation of some of the car fleet, and there are some positive stories to be told on that.

For example, carbon dioxide emissions from domestic transport are down by 10% since their peak in 2007, and while some of that is undoubtedly accounted for by the fall in traffic volumes, some of it will also be accounted for by better fuel economy for new vehicles, through regulation, which is a behavioural intervention, but certainly through regulation and through other measures to increase uptake. You may be aware of the latest advertising campaigns that have been undertaken by ULEV, the ultra-low-emissions people, that are looking to take into account the information that has been provided by customer and consumer insight and evaluations of what is working with these early adopters of these new vehicles, addressing issues such as range anxiety. There are some very powerful campaigns that have happened recently, and those campaigns are being evaluated as well. So there are a number of interventions that are going on to address that as well.

Q21 Lord Dixon-Smith: Lord Chairman, I am fascinated about where I want to go on this particular group of questions. I would love to hear a definition of sustainable transport. It means different things to different people, and if I could get one definition out of the four of you I would be extremely surprised. We talk about that subject very glibly. The first item I have in front of me deals with the issue of local authorities being advised to take a fairly strong line against cars. Is that included in Government guidance at the present time? I am bound to say, as a man who uses a car a fair bit, in my experience I have not yet found what I would call a friendly local authority. I do not think they need the guidance. But partly of course this is because you could argue that there is underinvestment.

The second thing I would say is that the modal shift into bicycles is all frightfully well but I do wish that the bicycles were required to obey the rules of the road in the way that cars are. I travel between here and Chelsea with monotonous regularity. We have a wonderful

[24] https://www.gov.uk/government/publications/door-to-door-strategy

superhighway down the embankment, and if car drivers behaved at crossroads in the way cycles do, the courts would not be able to keep up with it. So it is not all ideal.

Anyway, does the Government make sure that local authorities when they are operating in this field of traffic management really sit down after the event, as you might say, and make sure that they have the results that they want? As there certainly used to be in the days when I was involved in local government, is there a free market in information of results, so that you can get a feel for what works and what does not work, because they are the people on the ground with the expertise? Although I am bound to say—given the modern towns we have—personally, if I was going to start all over again, I would not design them the way they have been designed. But we cannot do anything about that. How does what we do here really compare with what happens elsewhere, let us say, just in European countries? Are they doing more than we are? Are they better than we are? Or are they in fact—rather as I feel we are—doing their best and muddling along?

The Chairman: Who would like to pick up some of those points?

Tricia Allen: Let me start on local authorities' support and engagement, which I think was the first bit of that question, and then I will hand over, if that is okay. When we started investment through the Local Sustainable Transport Fund, recognising that there was quite a lot of money being distributed to nearly every local authority in the country, we were very keen to make sure that there were some adequate communications and engagement mechanisms in place. There is no point investing in something that may be an element of the project in lots of different places and have the wheel reinvented again and again. That is just a waste of resources. So the department set up a contract with a company called Landor LINKS, which produces *Local Transport Today*, and through that contract—it is financially a very small contract—it delivers for us an annual conference. We brought together 450 of the officials, the officers and consultants, who are delivering these projects around the country, in Manchester last December. That was a fantastic two-day opportunity for people to learn from one another about what they are doing and how they can improve their approach learning from others who have some insights that they may only want to share face to face, because sometimes things do not work very well and they are quite difficult to share information about with one another.

Landor also produces a series of master classes. We have five master classes a year on different topics that we know local authorities are seeking support on. There was one last year in Swindon that specifically looked at how to influence travel behaviour and gave people information about the behavioural insights toolkit. We have one on monitoring and evaluation coming out later this year. We had one on marketing and communications earlier, which brought together people who do very similar jobs across the country. At every one of these events, the officers who leave at the end of the day have gained so much from finding a few people whom they can talk to about how to improve how they deliver their programmes. I am very confident that it is extremely well-spent money.

The Local Government Association has produced a facility called the Knowledge Hub, which a lot of local authorities use. We have a specific site on that for the Local Sustainable Transport Fund. We have over 300 practitioners who are signed up to that hub. They regularly exchange information with one another and do, as you described, open information sharing. In the report I showed you from Centro earlier, there are 12 of those.

They are all on the hub. The guidance from PTEG I showed you earlier is on the hub. There is a whole library of resources on the hub and we can tell from how often things are downloaded how much they are used. We have a regular bulletin that keeps people up to date with things that they need to know. We are communicating about events that come up, where people can learn to develop their skills. So there is huge desire and appetite for a good engagement programme and I believe we have been meeting that need fairly well through the department's resourcing. That is just a brief flavour of how we respond to the fact that local authorities need some form of support in this localism era. There is only so much we can do, but that is the framework of what we do do.

Q22 The Chairman: Could you comment on the lessons learnt from other European countries or, indeed, countries in other parts of the world? Do you look around and see how countries or cities that are far ahead of anything in the UK have got where they are? We highlighted in our 2011 report the example of Copenhagen, where we learnt that in Copenhagen the investment by the local authorities is £40 per person per year in sustainable transport. In the average successful European city it is about £10 per person per year. In the average local authority in the UK it is £1 per person per year. I just thought that that is very stark. It suggests that we are more than an order of magnitude off where we need to be if we are going to introduce the hard measures that David Metz supported to actually get people to change their behaviour. Do you look at that and think, "Oh my God, there is no way we are going to catch up," or what is your thought about it?

Jason Torrance: I think we have a long way to go, simply put, but I think there has very clearly—probably since 1950 onwards—been a very different set of investment priorities that have shaped both the fiscal environment in many of these towns, cities or countries, and also the regulatory environment. For instance, in Copenhagen we now see a city where riding a bike is a normal part of everyday life for all tiers of society. I would not say there is no perception of road danger or fear of accidents, but it is on a very different order of magnitude than you might find in English towns and cities, and a culture where it is normal to, for instance, take your kids to school walking or cycling. I think in many UK cities and towns it would be seen as pretty extraordinary to cycle on the streets with your young children, and that has resulted through years, if not decades, of political leadership, investment and the culture change, both at national, local government and the professional institutes, that have created a different town layout. Going back to something that I have mentioned a number of times, I think at the heart of this are the size and scale of investment and the political leadership that comes with that. We have had since the 1950s a size and scale of investment and political leadership, nationally and locally, which has seen a very large road and motorway network grow up in this country where it is very normal for very short journeys to be taken by car, one or two miles. That is not normal in Copenhagen or Denmark more broadly.

The Chairman: Do Deirdre or Tricia wish to respond or offer a comment?

Tricia Allen: Yes. I think the investment question is a difficult one. I know many of us have attempted to address the comparison question, and what is so difficult is the different ways that budgets get described. So I could describe for you how we have invested, as you said, £10 per head in certain places across the country in cycling and wider sustainable transport initiatives. Certainly this Government's track record—and I have figures I can share with you—shows quite a significant increase across the five years of this spending review period leading towards, I believe, a figure of over £1 billion now across sustainable transport and cycling investment. When you compare that with other countries, what is ever so difficult is what gets described as “cycling and sustainable transport investment”. I know from my work in the local transport directorate that we have a major programme of work called local majors, which is about major infrastructure investment, some parts of which are also cycling and sustainable transport. But it does not get captured because they are part of a much bigger programme of work. I think it is almost impossible to compare budgets across countries. You also have challenges of whether it is national or local funding or regional funding. Getting a level playing field to compare the data is extremely challenging. Probably more significant is the length of history of investment. The places you are describing made investment in the 1970s, in terms of what their priorities were. They kept to those and 40 years later they have put in 40 years of investment at £10 per head or more and I think that is probably a wider commentary on what decisions get made rather than specific spreadsheet questions.

The Chairman: That is essentially agreeing with Jason that over many years—perhaps decades—we have not been focused on sustainable transport. We have focused on road and rail rather than walking and cycling.

Jason Torrance: Yes. I would say that is the situation in this country, and I think that the culture of governance or planning sees walking and cycling as an integrated part of their transport system, just as we have here in London. Outside of London it is often a niche activity that perhaps in the scale of their programme has a small project but the integration often is absent. I think it is only half of the picture, in my view, that the funding and the political culture have not been long term. I think it is also a matter of political focus and vision that encapsulates behaviour change—walking and cycling in, for instance, Denmark, but not outside of London in this country.

Professor David Metz: It depends on what kind of towns and cities people want to have. Outside London over the past 50 years we have gone a long way to try to accommodate the car, because the car is very useful for all sorts of trips. But you run into the limitations of that process, in terms of congestion and filling the city up with parked cars. In London we are pushing back against the car, which is making a better city economically. You get what the economists call agglomeration benefits—better socially, better culturally. Young people come to London even though they do not have cars. They cannot really have cars in London. They do not need cars because for them the technology has moved on. It is the digital technologies that matter. So the question for the other cities in Britain is: what kind of city do they want to have? That has to be a long-term view. It is constrained by investment but it is also a question of the vision you want to have and I think some of the large cities with large central universities, which generate employment, are going the way London is. The challenge is for the smaller cities to push back against the car hoping to make it a better place to live or trying to accommodate the car because the car is so very useful. It is a real dilemma.

Q23 The Chairman: Are there any final questions from the Committee or any final comments from the panel?

Deirdre O'Reilly: I want to make the Committee aware, if I may be so bold, that since your last report the department has produced its very own behavioural insights toolkit[25], which is based on psychology, sociology and behavioural economics and is being widely used. We have a number of master classes in training to build capacity, within the department and its agencies, and we have used this in many of the master classes and conferences that have gone on. Aligned with that, and just picking up from what the original Committee report was talking about, is population-based information. Shortly after your report was produced we published what we call our segmentation study[26] providing nine segments to help local authorities and others identify who they should be targeting, how they should be targeting and what their likely behavioural responses might be. Again, in combination with that behavioural insights toolkit, sharing that and building capacity, we have been working with some of the local authorities and agencies. So that has been picked up and used and we can give examples of those—Leicester, for example—who have used this. We have a set of golden and questions where they can go and ask the local population and align with the segmentation we have here, and it is incredibly useful. It is incredibly useful for the Local Sustainable Transport Fund and sustainable travel generally, but we are also using it in various other areas of the department—for example, on the electric vehicle side, who are purchasing new vehicles, and that sort of thing.

The other thing that I wanted to make the Committee aware of was that the department is upping its game in terms of monitoring and evaluation generally, not just with the Local Sustainable Transport Fund but with all investments that are going forward. Last year, in March 2013, the department published a monitoring and evaluation strategy[27] and in October it published a monitoring and evaluation programme[28]. It is early days and the department does do evaluation, but we want to do better and we want to do more and we have a plan of how to do that in the longer term. I just wanted you to be aware of that.

The Chairman: We would be interested to know—there is no time now but perhaps you could write in—whether the work that you have been doing with the Behavioural Insights Team to establish your own behavioural insights unit has led successfully to any modal shift in transport, because that is what we were originally interested in. It is great to know that you are thinking about it, but we are interested more in outcomes than process, so not right now but perhaps you could let us know if there are some concrete examples where this work you were talking about has led to initiatives that are changing at whatever level—it can be quite modest—people's behaviour in terms of transport.

Deirdre O'Reilly: It is very much a collaboration with the local authorities, with the policymakers, that sort of thing.

The Chairman: Yes, there will be lots of players involved and you obviously have a leadership role.

Deirdre O'Reilly: Yes.

The Chairman: Thank you very much for that and thank you very much all of you for your answers to our questions. There are a few points you are going to follow up in writing, I think particularly DfT, including that last one, and if any of you have any other points you would

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25 https://www.gov.uk/government/publications/behavioural-insights-toolkit
26 https://www.gov.uk/government/publications/climate-change-and-transport-choice-segmentation-study-final-report
27 https://www.gov.uk/government/publications/monitoring-and-evaluation-strategy
28 https://www.gov.uk/government/publications/dft-monitoring-and-evaluation-programme-2013

like to feed into us in writing please feel free to do so. In due course you will get a transcript of the session, to which you will be able to make minor amendments and editorial corrections. We will be taking evidence from others next week and reach some conclusions, which we will communicate in some form or other. Thank you very much indeed.

National Institute for Health and Care Excellence (NICE), the Department of Health and Professor Theresa Marteau, University of Cambridge – Oral evidence (QQ 24-43)

Transcript to be found under Department of Health

Sustrans, Professor David Metz, University College London and the Department for Transport – Oral evidence (QQ 10-23)

Transcript to be found under Professor David Metz, University College London