Capita

- Nil return

Serco

xxx on behalf of Matthew Kershaw

Email set one:

To note – the names of Serco staff have been redacted under section 40 and the junior staff from DH have also had their names removed.

- Date – 21 February

From Serco – To Matthew Kershaw
Hi Matthew, Hope that you are well. I said that I would drop you a line once you had settled into DH. Let me know if a catch up would be useful. Kind regards,

- Date – 28 February

To – Serco
Hi Following your email to Matthew Kershaw dated 21 February, I have been asked to contact you to book a meeting. Please can you provide me with your availability for week commencing 21March. Many thanks.

- Date – 7 March

From Serco
My apologies for the delay in getting back to you. I have copied my assistant that we can schedule the meeting without delay. Kind regards,

- Date – 7 March

To Serco
If you want to hold off on the meeting we can do so.

- Date – 7 March

From Serco
that week should be fine.

- Date – 8 March

From Serco
Hi As promised here are some dates when xxx is able to meet during the week commencing the 21st. 21st - 10am - 12:30 n London
22nd - 10am - 12:30 in London I look forward to hearing from you.

- Date – 8 March

To Serco
Subject: RE: Meeting with Matthew Kershaw [I] Dear xxx, will an hour siffuce for this meeting? If so, I can offer 10 until 11am on Monday 21st?
Regards,

- Date – 8 March

CC Serco
Please can we go for 45 minutes.

- Date – 8 March

From Serco
Hello both, Yes that's works for xxx. I will follow on with a meeting invite shortly. Can I please have your full address? Kind Regards

Email set two:

- Date – 19 January

To DH colleagues and Serco
I've just had a very good meeting with xxx from SERCO. He'd like to meet with Ian, Peter, Matthew and I to discuss several issues:

- pathology services - building on their successful joint ventures at Guy's & King's
- NHST franchising

I think it would be worthwhile getting together. i've asked xxx to contact you.
Thanks,Bob

- Date – 24 January

From Serco
Classification: Serco Public Hi Are you able to help organise this meeting if I send over some dates? Kind regards

- Date – 24 January

To Serco
Hi, This is no mean feat !! Diaries for Ian, Peter, Matthew and Bob will be very difficult to fix. I would suggest that you email all the PAs at the same time and see where we get to. Details below: xxx (for Ian Dalton)
xxx (for Peter Coates) xxx (for Matthew Kershaw)
Regards,

Matthew Kershaw

Diary

- Meeting on 21 March, 09:45-10:30

There were no papers. They discussed the Foundation Trust pipeline and the Hinchingbrooke franchise.

Tribal Group

- Nil return

United Health

- Nil return

KPMG

- Nil return

McKinsey

To note – the names of McKinsey staff have been redacted under section 40 and the junior staff from DH have also had their names removed.

xxx on behalf of Matthew Kershaw

Email set one:

- Date – 23 December

From McKinsey
Dear Matthew, xxx would like to meet up with you in January to catch up. He's back from holidays on 10 January. Could you advise when you could meet with him? Please note that I am now on holiday but somebody will reply to your response or follow up in early Jan on my behalf). Many thanks and happy holidays!

- Date – 23 December

To McKinsey
Thanks and I have copied this to xxx who will offer some dates for early January. Regards, Matthew

- Date 23 December

To McKinsey
Hi, Further to Matthew's note below, is xxx available on: Friday 14 January, 16:00-16:45. Many thanks.

- Date – 6 January

To McKinsey
Hi, Happy new year! Any news on the meeting below?

- Date – 6 January

From McKinsey
Hi, xxx could be available on the 14 January from 16:00-16:45. Could you please confirm and advise location. Kind regards,

- Date – 6 January

From McKinsey
Apologies, xxx could only participate by phone as he will be in Paris. Kind regards,

- Date – 6 January

To McKinsey
A telephone call will be fine so shall we go ahead with the time and date?

- Date – 10 January

From McKinsey
Good Morning, I am covering for xxx this week as she is on Vacation - 4pm UKT on Friday looks good for xxx - what is the best number for him to reach Matthew on? Apologies if xxx would normally know this info.... All the best,

- Date – 10 January

To McKinsey
Sophie, Please can you call my number - see below. Jemma Griffiths

- Date – 13 January

From McKinsey
Hi, Have tried calling you a couple of times but get your voicemail.
I am hesitant to confirm the call tomorrow as xxx will be on route to travel... if this call is urgent I will of course make it work but it can wait until next week it might be safer.. let me know what you think is best..All the best

- Date – 13 January

To McKinsey

Lets move it back then... though Matthew's availability is scarce next week. Let me know what xxx can do and I can manage Matthew's diary that way. Thanks.

- Date – 14 January

From McKinsey
Thanks, xxx is available between 1300 and 1430 on the 18th and 1500 and 1730 on the 19th? can anything work? All the best

- Date – 16 January

To McKinsey
Many thanks for getting back to me. Matthew is unable to make your suggestions... Do you have any availability for Friday afternoon for a telephone call? Thanks.

- Date – 17 January

From McKinsey
Good Morning, Not great for xxx on Friday he is available at 1230 for 30 min on Friday or after 1730 - can anything work? All the best

- Date – 17 January

To McKinsey
Those times aren't going to work for Matthew either... Can you provide me with xxx availability for the following two weeks... Thanks.

- Date – 18 January

From McKinsey
This is fun..!!! Thanks for your patience xxx - fingers crossed something from the below can work :-) Monday 24th 0900 - 1030 or 1100 – 1230 Monday 31st – available Tuesday 1st February 1130 – 1430 Wednesday 2nd February 1000 – 1300 All the best

- Date – 18 January

To McKinsey
On Wednesday 2 February, we could do 11:00-11:45?? Thanks.

- Date – 18 January

From McKinsey
Brilliant - it works! and held in xxx diary - will it be a call or a meeting? xxx is in London. xxx is back in the office from tomorrow but she also was trying to find time with xxx and xxx would you be able to help? All the best and many thanks for your patience and help.

- Date – 19 January

To McKinsey
Face to face is better, is xxx able to come to Richmond House? xxx, please can you get back to xx with regard to Ian's availability. Thanks.

- Date – 19 January

From McKinsey
Hello, xxx can certainly come to Richmond House for this on Feb 2 from 11:00-11:45. Many thanks. xxx, I look forward to hearing from you, please note that Nicolaus will be abroad from Wed to Sun next week so I guess this one will be for Feb also. Thanks, - now back from holiday :-)

Email set two:

- Date – 21 January

To Mckinsey

Hi xxx As you know, Matthew Kershaw and xxx are meeting on:
Wednesday 2 February, 11:00-11:45 Please can you provide me with an agenda by cop 27 January. Thanks and have a lovely weekend.

- Date – 26 January

From McKinsey
Hi, Here is the agenda: 1) Catch up 2) London/Helios discussion 3) Hospital transformation. Best,

Email set three:

- Date – 10 November

From McKinsey
Matthew, Well done ! Suggest we meet for drink / dinner, might be easier on your diary, although I could move things around if daytime better. In terms of evening, I could do 8, 13, 14, 15 December. Let me know. See you soon Regards

- Date – 11 November

To McKinsey
Thank you for this and I could do a slot during the day at the moment but the diary is filling up quickly so if you have times over the next couple of weeks let me have them and I can see what I can do. That is probably easier than an evening at the moment. Let me know and we can sort a time to talk. Regards, Matthew

- Date – 11 November

From McKinsey
Matthew, Ok, what about November 15th pm, 18th am or 22nd am? If not these suggest when is possible and I see what I can change. Thanks xxx

- Date – 12 November

To McKinsey
I could do some time on the 18th in the morning so should we meet at 11am for an hour? Regards, Matthew

- Date – 12 November

From McKinsey
Matthew, Thanks, ok let's go with this. Enjoy the weekend Regards xxx

- Date – 12 November

To McKinsey
Great I will see you at Richmond House on the 18th. Have a good weekend too. Regards. Matthew
Date – 12 November
From McKinsey
I look forward to seeing your office !! Given your new role, is there anything in particular it would be helpful we gave some thought to prior to meeting? xxx, who leads our hospital work is available to join us if ok with you. Thanks

- Date – 12 November

From McKinsey
xxx has just let me know what you discussed today ! See you next week. Regards

- Date – 15 November

To McKinsey

I would like to talk to you about the Institute work to see if that, or other things like I could be part of the way some Trusts get help to get to FT status. Clearly this would be a without prejudice conversation but useful to exchange views. See you this week. Regards. Matthew

- Date – 19 November

From McKinsey

Matthew Thank you for meeting with me and xxx yesterday. It was good to see you clearly up for the challenge of your new role. You explained your approach very well, and it was helpful to see that we were aligned on the segmentation of the pipeline. We think that the MHI provides the breadth of support you and the non FTs will need to call on. This new model is working well, and is also more manageable for hospitals. I hope we demonstrated this yesterday We agreed to follow up with xxx, and xxx has done this. Please let me know if you need any further information to support the meeting on 7th December. Finally, we agreed to meet informally on a regular basis. We suggested meeting a week or so before your monthly Provider meeting which would work well. We are very happy to do this and can you ask your PA to send me your availability. The next meeting being early January. Once again thank you for meeting. Regards

- Date – 19 November

To McKinsey

Thanks for this and for coming up yesterday. It was good to talk and we will sort a time in January - xxx, let's discuss next week. In terms of December I don't think I need anything more but if I do I will give you a shout.
Regards, Matthew

- Date – 26 November

To McKinsey

Hi, Further to Matthew's note, please could you provide me with your availability for the second half of January. Many thanks.

- Date – 29 November

From McKinsey

Thank you. My Executive Assistant, xxx will send you this information once myself and xxx have coordinated our availability. Regards

- Date – 17 January

From McKinsey

Jemma In terms of the meeting tomorrow with Matthew; 1. Update on the McKinsey Hospital Institute 2. Review of our hospital performance diagnostic 3. Feedback from recent hospital work 4. Dinner event - 9th February 5. Update from Matthew 6. Information and support for Provider Lead meeting 7. Any Other Business. I hope this is ok and I look forward to seeing you tomorrow at Richmond House, 10.30am. Regards

Email set four:

- Date - 28 January

To McKinsey

Hi, Matthew Kershaw is due to attend a dinner on Wednesday 9 February. Please can you confirm the venue and time of the dinner. Many thanks and have a lovely weekend.

- Date – 28 January

From McKinsey
Thanks. It is at The Athenaum Hotel, 116 Piccadilly. Guests arrive from 6pm with dinner starting between 630pm - 645pm. We are very pleased that Matthew can attend. The event is for non FT acute hospital Chairs. In total we expect around 20 or so people at the dinner. The topic will be on the challenges of achieving and maintaining FT status. We will ask Matthew to talk from the DoH perspective, and xxx responds from the Monitor perspective. The format is that we present the McKinsey Hospital Institute at the start of the dinner. At the end of the main course we invite our speakers to say a few words (5-10 mins) and then open up to discussion. We finish around 9 - 930ish. If you need any further information do not hesitate to contact me. If Matthew needs overnight accommodation please let me know. Regards

- Date – 5 February

To McKinsey
Thanks for this. Will you require Matthew to just speak, or are you requiring a presentation with slides also? Thanks.

- Date – 5 February

From McKinsey
Just speak. Thanks,

- Date – 5 February

To McKinsey
Cheers.

Email set five:

- Date 5 November

From McKinsey
Dear Matthew, I wonder whether it would be good to catch up. Are you around London next week? Best

- Date – 10 November

To McKinsey
Thanks for this and I have now started full time at the Department and am in London all day tomorrow and am free most of the morning or I could do anytime on Friday between midday and 3pm. Let me know what works and we can catch up. Regards,

- Date – 10 November

From McKinsey
Friday 13.30 - 14.30 would be perfect. Would that work?

- Date – 10 November

To McKinsey
Thanks and that would be great - are you ok to come here or is it easier for me to come to you? Regards,

- Date – 10 November

From McKinsey
xxx will come to Richmond House. Many thanks,

- Date – 10 November

To McKinsey
Thanks and I will see xxx here on Friday. Regards, Matthew

- Date – 12 November

From McKinsey
Hi Matthew - am on way but in traffic, likely 10 min late sorry.

- Date – 12 November

To McKinsey
Thanks and no problem - just call when you get here and we will come and collect you. Regards, Matthew

- Date – 12 November

From McKinsey
Matthew great to catch up - will be in touch on the international players. We should also meet early December once you have the SHA data!
As said, I am not sure its feasible but be welcome to join us at Valencia Monday evening to Wednesday. xxx will send programme. Best.

- Date – 12 November

To McKinsey
Thank you for this and let us know how you get on with the international players so hopefully we can meet up with Ian and me as discussed. We could also have a broader discussion then re the SHA data on the same day assuming the dates work. xxx has now sent details of the Valencia conference and I will look at this over the weekend so thank you for the invitation and let you know either way. Looking at it suggests it is not likely with other commitments but I will look at it carefully. Regards. Matthew

- Date – 12 November

From McKinsey
Matthew, We'd be delighted if you could join us in Valencia and I would be happy to help facilitate that. You can also register directly, if you prefer, by going to the following site
www.mckinsey.com/hsihttp://www.surveymonkey.com/s/Valencia.
I'm attaching the conference agenda and the list of attendees for your review. Please do not hesitate to contact me directly for any questions. Best regards,

- Date – 15 November

To McKinsey
Thank you for this and just a quick note to say unfortunately I am not able to join the Valencia visit this week but will keep in touch with xxx and team. Regards, Matthew

Email set six:

- Date – 23 December

From McKinsey
Dear Matthew, xxx would like to meet up with you in January to catch up. He's back from holidays on 10 January. Could you advise when you could meet with him? (Please note that I am now on holiday but somebody will reply to your response or follow up in early Jan on my behalf). Many thanks and happy holidays!

- Date – 23 December

To McKinsey
Thanks and I have copied this to xxx who will offer some dates for early January. Regards, Matthew

Email set seven:

- Date – 13 January

From McKinsey
Dear xxx, xxx and Matthew had a meeting with xxx on the 7th January. xxx would like a follow up meeting in the next couple of weeks just with Matthew. Can you please let me know any dates and times when he will be free and I will do my best to accommodate. Many thanks.

- Date – 14 January

To McKinsey
Apologies for the delay in getting back to you.... How is: Friday 4 February, 10:30-11:15. Thanks.

- Date – 20 January

To McKinsey
Hi, Any news on this?

- Date – 24 January

To McKinsey
Hi, Can we please look at next week. Many thanks.

- Date – 24 January

To McKinsey
The date I provided on 14 January is for next week. Does the date not work? Am happy to provide some more options if it isn't convenient. Thanks.

- Date – 24 January

From McKinsey
Thank you. Some other options would be great.

- Date – 24 January

To McKinsey
Thanks for coming back to me. Matthew has availability all day on 4 February, if not time is suitable, I will look at the week after. Thanks.

- Date – 24 January

From McKinsey
xxx has a meeting that finishes at 16.00 on the 4th. Shall we confirm 16.30 on the 4th or shall we look the the following week.

- Date – 24 January

To McKinsey
That's perfect... will xxx come to Richmond House? Thanks.

- Date – 27 January

From McKinsey
Hi, We have now discovered that xxx is having a meeting with Matthew on the 2nd at 11am so xxx can raise any topics that xxx was going to discuss. You can delete the meeting with xxx on the 4th at 16.30. Thank you very much for all of your help. Kind regards

Email set eight:

- Date – 25 February

From McKinsey
Dear xxx, Please let me know if you would like me to arrange a call with you or with Matthew. Kind regards
Here is the agenda and invitation list as requested for Matthew Kershaw.

xxx and I met Matthew in January to discuss this so I believe he is aware of the scope and objectives of the day already, but I would be very happy to discuss with him and/or xxx if helpful. xxx

- Date – 25 February

To McKinsey

What is this for? The event next Friday?

- Date – 25 February

From McKinsey

Yes- 4th March event.

- Date – 25 February

To McKinsey

Thank, have a lovely weekend!

- Date – 25 February

From McKinsey

Would you or Matthew like a call with xxx or will the attachments suffice?

- Date – 25 February

To McKinsey

Matthew is currently on leave so I will speak with him on Monday and will get back to you then.

- Date – 28 February

To McKinsey

Hi, Please can you confirm the venue for Friday's event. Thanks.

- Date – 28 February

From McKinsey

Directions to Venue, Dexter House is located opposite the Tower of London. Situated just 5 minutes walk from Tower Hill and Tower Gateway DLR stations, the venue sits in 'Royal Mint Court' Business community - keep an eye out for a large stone arch which forms the entrance to Royal Mint Court. Once through the arch, follow the signs for Dexter house (see attached map for directions). Registration will open at 8.45am.

- Date – 28 February

From McKinsey

Hi, I hope those directions are helpful. Do you know if Matthew would like a conversation with xxx before Friday? Kind regards

- Date – 28 February

To McKinsey

Your directions are helpful. Matthew won't need a conversation with xxx ahead of the event on Friday. Many thanks for all your help.

- Date – 1 March

From McKinsey

Hi, xxx has asked if Matthew would like to be on the evaluation panel. The evaluation panel is like the judging panel that decides what the impact of the various game actions/decisions is and gives feedback on why the actions have those effects. It is very much a game not a policy statement. xxx and xxx will be on the panel from McKinsey and xxx from LA. xxx suggested we ask. xxx is happy to speak to you or Matthew if helpful! Kind regards

- Date – 1 March

To McKinsey

I would like to confirm that Matthew will indeed join the evaluation panel. Is there anything Matthew will need/need to do ahead of this?Thanks.

- Date – 3 March

From McKinsey
Hi I don't think you received this while I was away yesterday.
The evaluation panel will comprise xxx, xxx, xxx, xxx and yourself. The role overall is to: Be a 'referee' and regulate and reinforce the simulation 'rules' (McKinsey facilitators will support the panel in doing this). Debrief discussions, and provide insights into decisions/outcomes/implications. Play the national roles of Monitor and CQC in each round (role cards will be provided). Introduce 'wild-cards' into the simulation game as needed to stimulate and challenge the players There will be two sets of debriefs during which the evaluation panel will be most active: 1) At the end of each round where we will debrief in 2 sections: (a) covering process and how participants felt during the round of play (e.g., who was busy, what types of interactions, what surprises); (b) outcomes of the round and discussion 2) Overall debrief - where we will ask players to regroup into their real-world roles and discuss implications. Please let me know if you have any questions. Kind regards.

- Date – 3 March

To McKinsey
Thanks and see you tomorrow. Regards. Matthew

Diary

- Date – 12 November

Catch up meeting with xxx
No agenda or papers

- Date – 18 November

Meeting with xxx
No agenda or papers

- Date – 18 January

Meeting with xxx to discuss the McKinsey Hospital Institute
Agenda – 1.Update on McKinsey institute 2. Review of hospital performance diagnostic 3. Feedback from recent hospital work 4. Dinner event on 9 February 5. Update from Matthew Kershaw 6. Information and support for Provider Lead meeting 7. AOB

- Date – 2 February

Meeting with xxx
Agenda – 1. Catch up 2. London/Helios discussion 3. Hospital transformation

- Date – 9 February

McKinsey meal – non FTs
Date – 4 March
London Health Simulation – papers are attached separately and include:

- Agenda; and
- Pre-read London simulation slides with information redacted under section 43

The evaluation panel will comprise xxx, xxx, xxx, xxx and yourself. The role overall is to:

- Be a 'referee' and regulate and reinforce the simulation 'rules' (McKinsey facilitators will support the panel in doing this)
- Debrief discussions, and provide insights into decisions/outcomes/implications
- Play the national roles of Monitor and CQC in each round (role cards will be provided)
- Introduce 'wild-cards' into the simulation game as needed to stimulate and challenge the players

There will be two sets of debriefs during which the evaluation panel will be most active:
1) At the end of each round where we will debrief in 2 sections: (a) covering process and how participants felt during the round of play (e.g., who was busy, what types of interactions, what surprises); (b) outcomes of the round and discussion
2) Overall debrief - where we will ask players to regroup into their real-world roles and discuss implications

- Date – 19 May

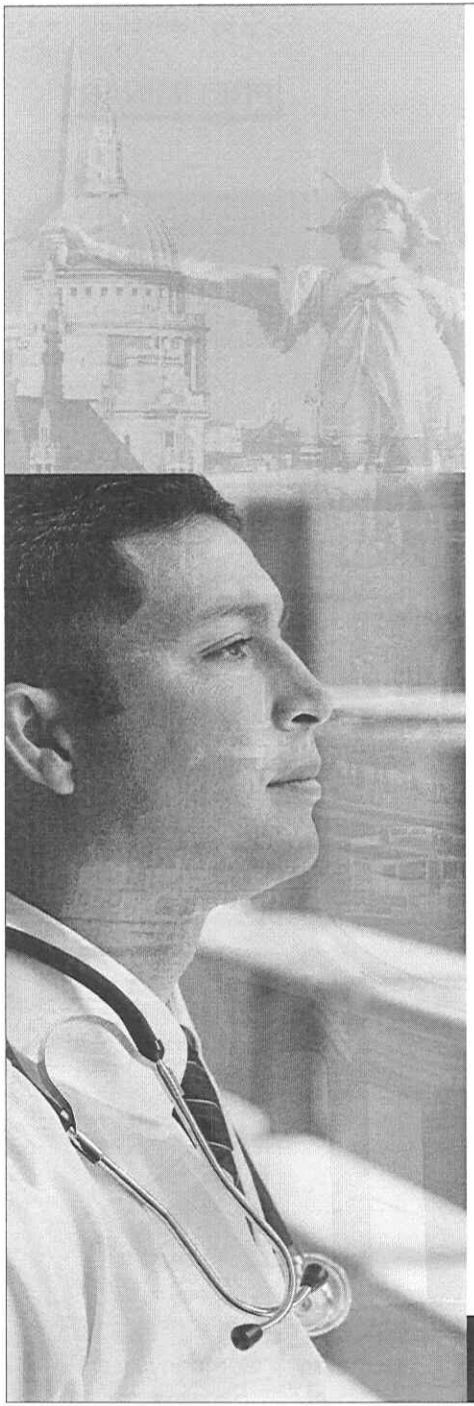
Kick off meeting regarding PFI external assessment – McKinsey tender and presentation

General Healthcare Group

- Nil return

Circle

- Nil return



WORKING DRAFT
Last Modified 25/02/2011 09:05:27 GMT Standard Time
Printed 21/02/2011 13:49:43 GMT Standard Time

Simulating the new world of health & social care in London

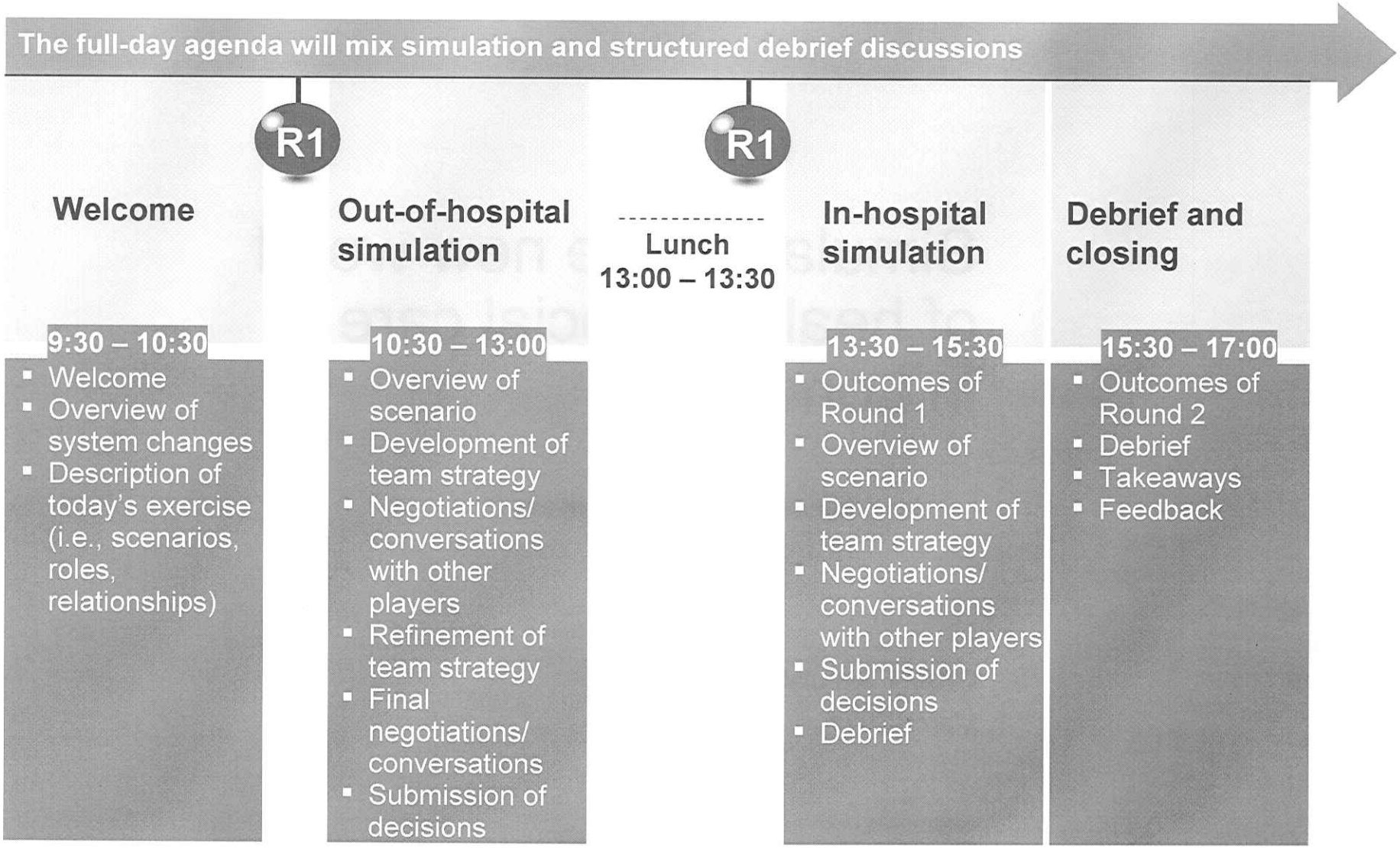
London Councils, GLA, NHS London

DRAFT Simulation document
March 2011

McKinsey&Company

The structure of the actual simulation day

PRELIMINARY



The structure of Round 1

	Minutes
Detailed instructions for round 1	15
Teams read their role cards	15
Teams agree their priority actions	30
Open discussion amongst teams	30
Teams strategise about their decisions	15
Further open discussion amongst teams	30
Complete and submit decision forms	15

We will tell you when to switch to each activity

If you have any questions ask one of us

1 hour and 30 minutes

Round 2

	Minutes
Round 2 context	15
Teams strategise about which moves they'd like to make	30
Open discussions amongst teams	30
Complete and submit decision forms	15

WORKING DRAFT
Last Modified 25/02/2011 13:37:39 GMT Standard Time
Printed 24/02/2011 09:46:20 GMT Standard Time

Simulating the future of the London health economy

Greater London Authority, London Councils, NHS London

Pre-read for simulation event
March 2011

Contents

- **Introduction**
- Policy changes in health, social care and public health
- Healthcare in London
- Social care in London
- Public health in London
- What this could mean for the future
- Appendix

Introduction and purpose of the simulation

PRELIMINARY

- There is considerable change ahead for local councils and the NHS, but exact plans and roles both nationally and locally remain unclear
- The simulation exercise will provide an informal opportunity for the capital's leadership to:
  - Test thinking about the future of the health and social care system in London
  - Identify the relationships and interactions needed to make the future system work
  - Identify potential risks and opportunities for us during the transition

We will use a simulation exercise to advance our thinking

PRELIMINARY

Simulations ...

Are

- Interactive sessions to help stakeholders understand interactions
- Used ahead of major strategic decisions
- A tool to provide insight into key questions in strategic situations and align the region's management team
- A forum to bring together the expertise and knowledge from various units of the region

Are not

- Prescriptive strategy recommendations that enable detailed scenario planning
- Precise analytical solutions based on results of the simulation exercise (e.g., specific metrics to be employed in real life)
- Externally-created competitive intelligence that "informs" participants of partners' future moves
- Lecture-based debriefing sessions without active participation from participants

The simulation will require teamwork and interactivity

Participants are divided into teams to role play different players

On the day of the simulation exercise …

1. Teamwork

2. Interactive exercise

Teams make decisions and analyze results

Teams debrief on exercise results to understand impact of real life decisions

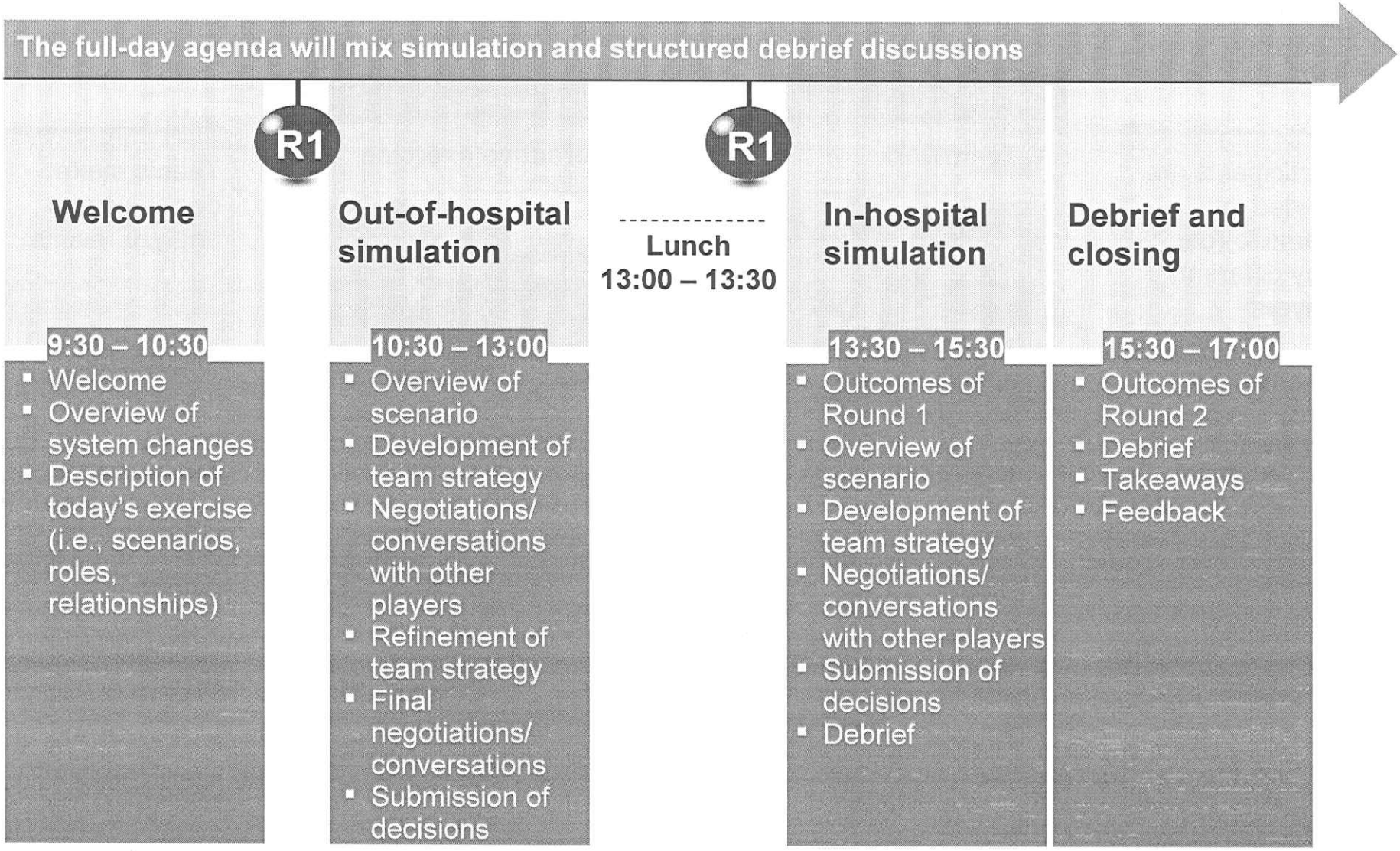
3. Debriefing sessions

4. Discussion

Teams review learning from exercise and discuss implications of results

The structure of the actual simulation day

PRELIMINARY



Contents

- Introduction
- **Policy changes in health, social care and public health**
- Healthcare in London
- Social care in London
- Public health in London
- What this could mean for the future
- Appendix

Executive Summary

Stakeholders across London will need to adapt to fundamental policy and financial changes over the next few years, with real uncertainty about how this will play out in practice:

- Major reforms are being introduced in the health service nationally:
  - The new commissioning arrangements will transfer most commissioning from PCTs to GP Commissioning Consortia, with PCTs and SHAs being abolished
  - Local authorities will have an increased role through Health and Wellbeing Boards and the transfer of local public health functions
  - There will be increased patient control over records and choice of provider, and the market for provision of NHS services will be opened to any willing public or private provider

- London has distinctive health and social care characteristics:
  - Health outcomes and quality vary substantially across boroughs and between providers
  - London is a major centre for clinical teaching and research, but has weaker primary care than the England average, and a greater reliance on hospitals particularly for A&E and non-elective care
  - Certain public health problems such as HIV, TB and teenage pregnancies are particularly prevalent in London relative to the rest of the country

- At the same time, the London health economy faces increasing costs and flat real terms funding, requiring stakeholders to rethink the way they deliver services:
  - NHS funding will be flat in real terms, after a period of significant growth. This implies a productivity requirement of around 15-20% over five years to meet rising needs
  - Social care funding is expected to decrease by 2% annually going forward
  - Capital funding will be more restricted, and there are potential pressures on NHS funds for London for clinical education and London cost weighting

The Health and Social Care bill includes a number of changes

PRELIMINARY

Health, social care and public health

1 Putting patients first

- "No decision about me without me" and increased patient control over records
- Information revolution – access to comprehensive, easy to understand information
- Choice of provider, consultant, treatment and GP practice – including non-NHS providers working to NHS standards and prices

2 New responsibilities in health, social care and public health

- Transfer responsibility and funding for health improvement activity from PCTs to LAs
- Establish health and wellbeing boards in each LA to:
  - Promote integration between the NHS, social care, and other players
  - Lead joint strategic needs assessments, promote commissioning collaboration

3 Improving health outcomes

- NHS held to account on delivery of clinical outcomes, not process targets.
- 150 quality standards developed by NICE to inform commissioning, payment systems and quality inspectorate
- Cancer Fund established to ensure all patients get recommended drugs
- Providers paid according to performance

4 New vision for social care

- Extend the rollout of personal budgets
- Increase preventative action in local communities
- Keep people independent and helping to build the Big Society
- Break down barriers between health and social care funding and encourage care and support to be delivered in a partnership between individuals, the NHS, councils and other local players

Other related policy shifts

5 Devolution and transparency

- Give councils decision-making powers on housing and right to bid to take over local state-run services
- Give residents the power to instigate local referendums on any local issue and the power to veto council tax increases
- Publish online the job titles of every member of staff and the salaries and expenses of senior officials and details of any expenditure above £500
- Ring-fenced public health budget given to local government

6 New performance management regime

- Discontinue Comprehensive Area Assessments and Local Area Agreements, abolish the Audit Commission and phase out National Indicator Set
- Expand the role of NICE to include adult social care and publish Quality Standards in 2012/13
- Publish reduced number of quality and outcomes indicators online and introduce a mechanism of peer review and challenge

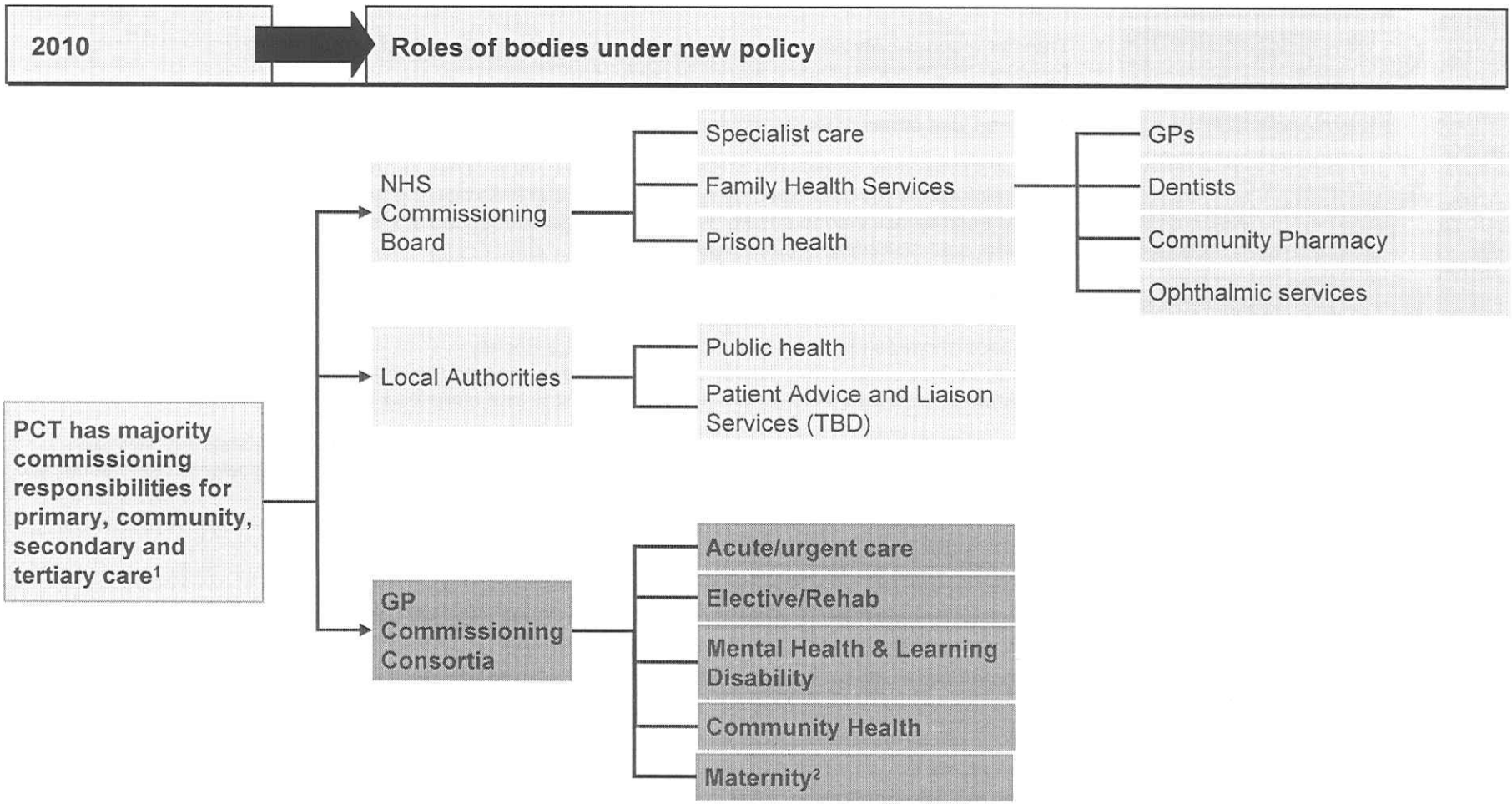
7 Efficiency and financial sustainability

- Freeze council tax, phase out ring-fenced government grants
- Achieve significant reduction in funding provided by the government:
  - In 2010/11, local authorities faced a funding cut of around £1.5b
  - A 26% additional reduction in grant funding is planned by 2014/15
- NHS administrative costs reduced by 45%

SOURCE: Website of IDeA; A Vision for Adult Social Care, 2010; Transparency in outcomes, DH, 2010; The Municipal Journal; The London Councils

The biggest policy change in healthcare is the new commissioning arrangements, which abolishes PCTs and shifts roles to other bodies

PRELIMINARY

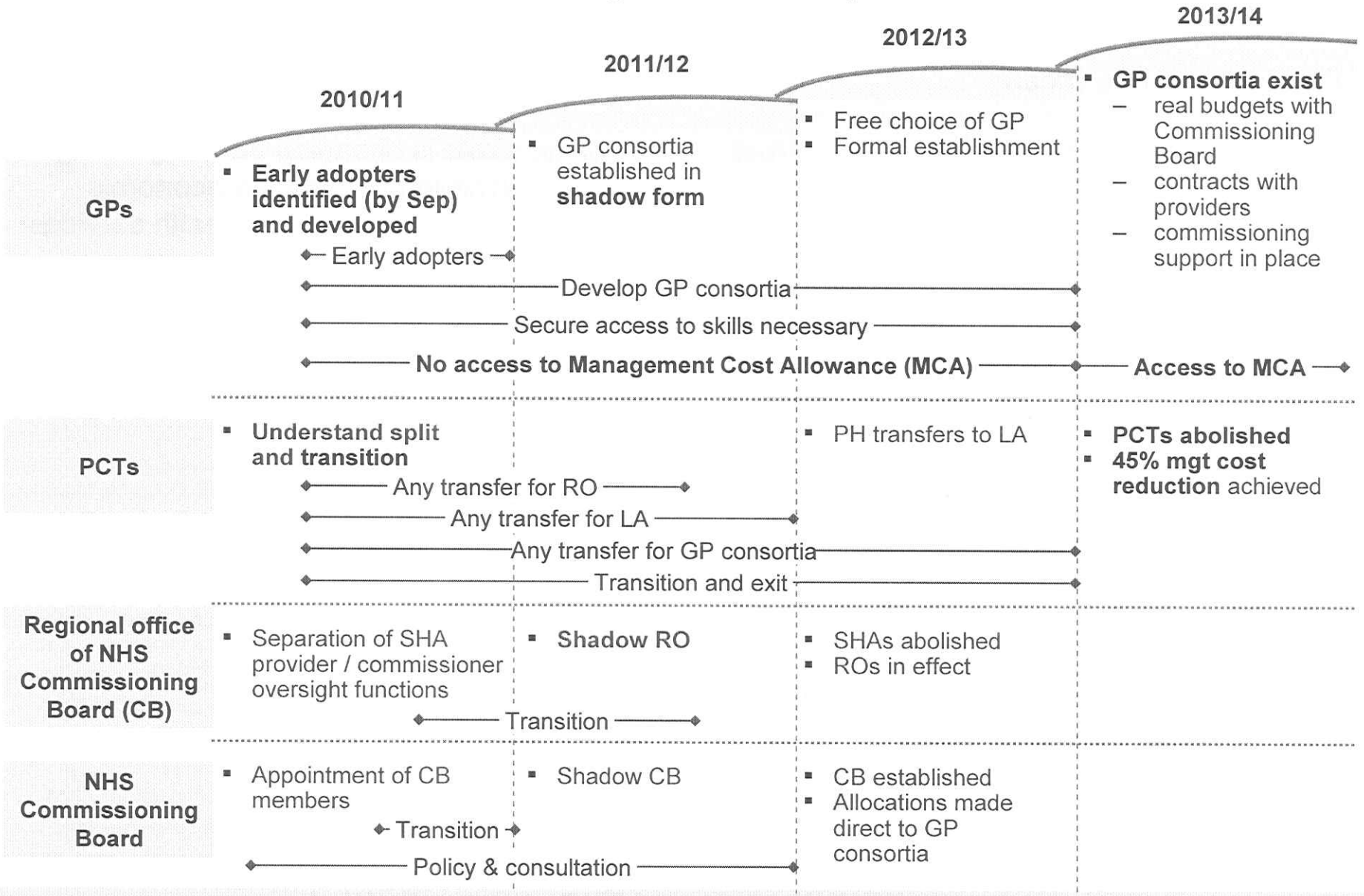


1 Specified commissioning groups (one per health region and one national body) are responsible for commissioning highly complex and low volume procedures (e.g. bariatric surgery)

2 Could also be responsibility of NHS Commissioning Board; not yet determined

SOURCE: "Liberating the NHS: Commissioning for patients" DH White Paper, July 2010

The expected timeline for shifting of these responsibilities is as below



SOURCE: NHS White Paper

And there are similar significant shifts on the provider and regulator side

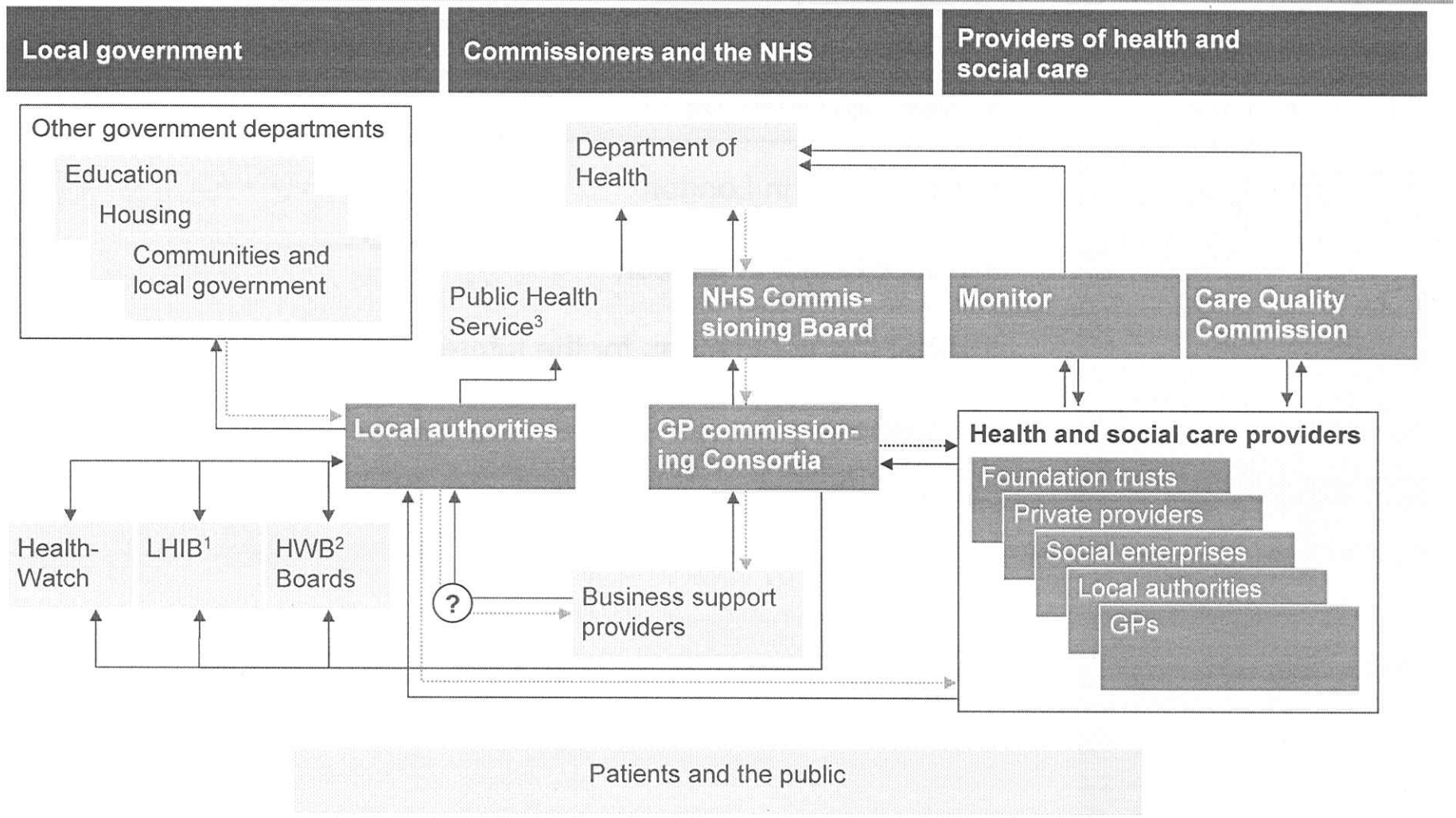
PRELIMINARY

Providers of healthcare	Regulators
▪ All hospitals must reach Foundation Trust status by April 2014	▪ Monitor's role is changing from regulating FTs to becoming become an economic regulator for all providers of health services
▪ Providers allowed to offer services at below tariff from April 2011 onwards to foster price competition	▪ The role of CQC will be strengthened as an quality inspectorate across health and social care
▪ Creation of a Provider Development Authority to oversee completion of FT pipeline; authority to be resolved by April 2014 once all trusts are FTs	
▪ By April 2011 all PCT provided community services must have been separated from PCT commissioning functions	

The end state: by 2014, the structure of health system will look different

ILLUSTRATIVE

Future schematic of London health economy



1 London Health Improvement Board
2 Health and Wellbeing Boards
3 Subsumed former Health Protection Agency

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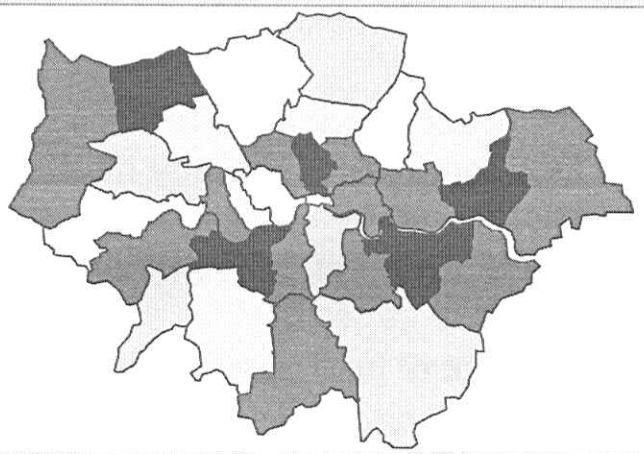
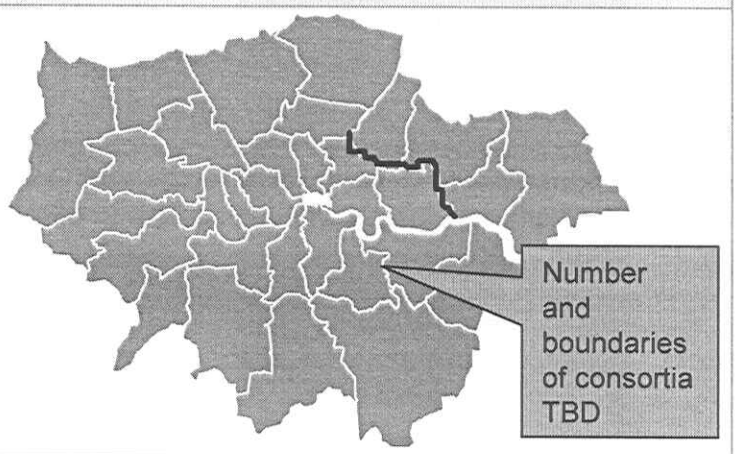
The policy requires the system to undertake structural changes; this has far reaching implications for London. . .

PRELIMINARY

	2010 – 31 PCT commissioners	Future – GP consortia
Commissioner boundaries		
PCTs	▪ **31 PCTs** - currently responsible for public health for their local communities and commissioning all health services	▪ Abolished by 2013/14 with role split between GP commissioning consortia, NHS Commissioning Board and Las ▪ Recently created sectors may stay
Hospitals	▪ **29 acute hospital trusts**, of which 8 are foundation trusts ▪ **10 mental health trusts**, of which 7 are foundation trusts ▪ **1 ambulance trust** and **32 A&E departments**	▪ All hospitals must reach Foundation Trust status by April 2014
GPs	▪ **6,000 GPs** working in approximately **1,500 independent practices**	▪ **GPs currently forming consortia currently** ranging in sizes covering populations of 124,480 to 360,000 ▪ Consortia can achieve significant economies of scale
Public Health	▪ Currently joint activity between PCTs and LAs, often with joint staff and / or budgets	▪ Separation of activity with LAs taking over primary responsibility for health improvements ▪ London Health Improvement Board proposed
Management & oversight	▪ **Department of Health-** overall system responsibility ▪ **NHS London** - the strategic health authority that manages the systems- both providers and commissioners	▪ **Department of Health-** more focussed on overall policy with separation out of Commissioning Board ▪ **Independent NHS Commissioning Board-** will allocate and account for NHS resources and lead quality improvement
Funding	▪ London's PCTs have been allocated £15.6bn for 2011/12	▪ Health funding expected to remain flat while underlying demand has been growing at 4% per year

SOURCE: Health Leadership Summit Equity and Excellence: opportunities for improving health in London, November 2010; Departmetn of Health PCT Revenue Allocations 2011/12

Key areas of guidance about GP consortia

PRELIMINARY

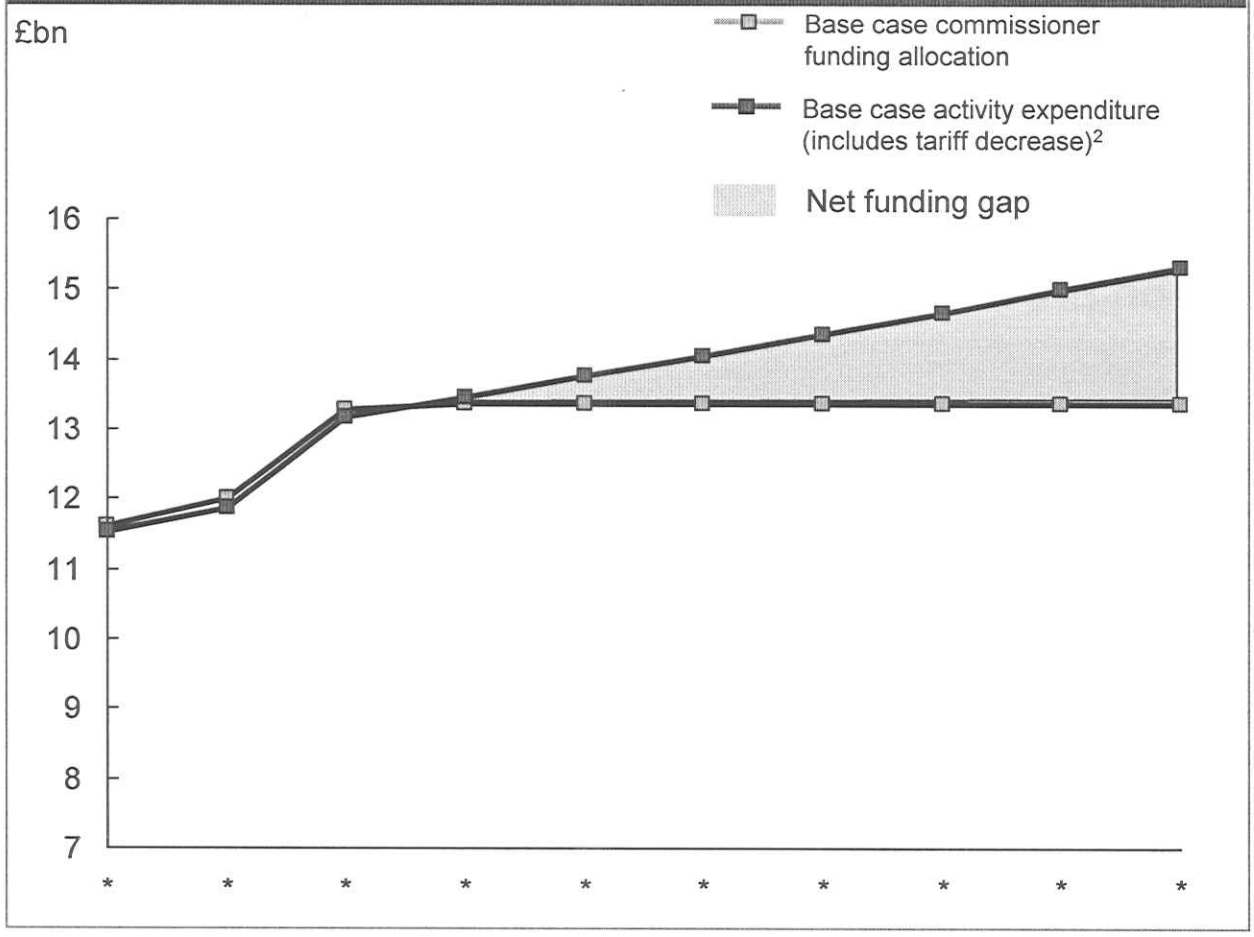
Authorisation and compliance	▪ GP consortia will be independent, **statutory bodies** with Accountable Officers – and cannot make profits for GPs (i.e., separate from GP providers) ▪ GP consortia commissions **most services**, while NHS Commissioning Board (CB) commissions **family health, specialist services and prisons** ▪ GPs have **flexibility** over the design of their GP consortia (including membership) with two caveats: – **Geographic basis** sufficient to hold locality contracts – Sufficient **scale** to manage financial risk ▪ SoS will hold CB to account by **outcomes framework** ▪ CB will hold GP consortia to account with a similar framework ▪ CB will calculate **capitation** amount for GP consortia
Development	▪ DH **Director of Commissioning** supported by SHA Directors of Commissioning are accountable for developing GP consortia ▪ **All GP practices required to join a** GP consortium ▪ CB has last-resort power to assign practices to a GP consortia ▪ Dedicated commissioning support management allowance ▪ GP consortia choose whether to build or buy management support from independent commissioning support organisations[1] ▪ **Negotiate with BMA** to adjust GP contract

1 Expectations are this will primarily involve analytical and contracting services ege claims management, contracting management and procurement

The current system will no longer be affordable soon - real transformational change is needed rapidly

PRELIMINARY

Total London commissioner expenditure vs. base case commissioner funding allocation[1]



- Real transformational change is needed rapidly to avoid this affordability challenge
- Given likely future tightening of funding allocations, an ongoing incrementally-focused cost saving programme will not be sustainable
- The changing external economic environment should be used to act as a catalyst and driver for radical shifts in how services are provided and delivered

1 In real terms (net of inflation i.e., excluding inflation), 2007/8 numbers

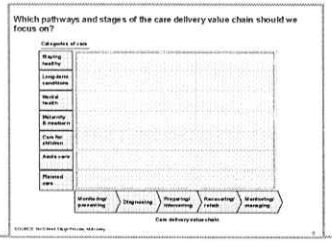
2 Includes average of 1.45% CAGR (compound annual growth rate) incremental cost inflation assumed from 2007/8 to 2016/17 across all services and average of 3.65% CAGR efficiency requirement assumed from 2007/8 to 2016/17 in acute (2.4% 2008/09, 3% 2009/10, 3.5% 2010/11, 4% 2011/12 year-on-year to 2016/17)

SOURCE: GLA demographic forecast, HES data, HAS data, reference costs, HfL growth assumptions; Q research; Monitor tariff guidance;

Players in the system are likely to take a number of actions in response to these challenges

PRELIMINARY

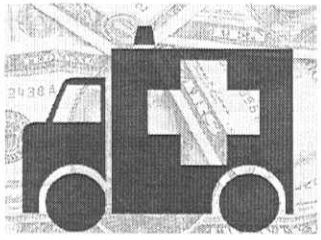
GP Consortia



1. Prioritise spend
2. Manage long-term conditions
3. Optimise settings of care (i.e. shift care closer to home)
4. Focus on prevention

Payor/system manager role in driving change in providers

Provider

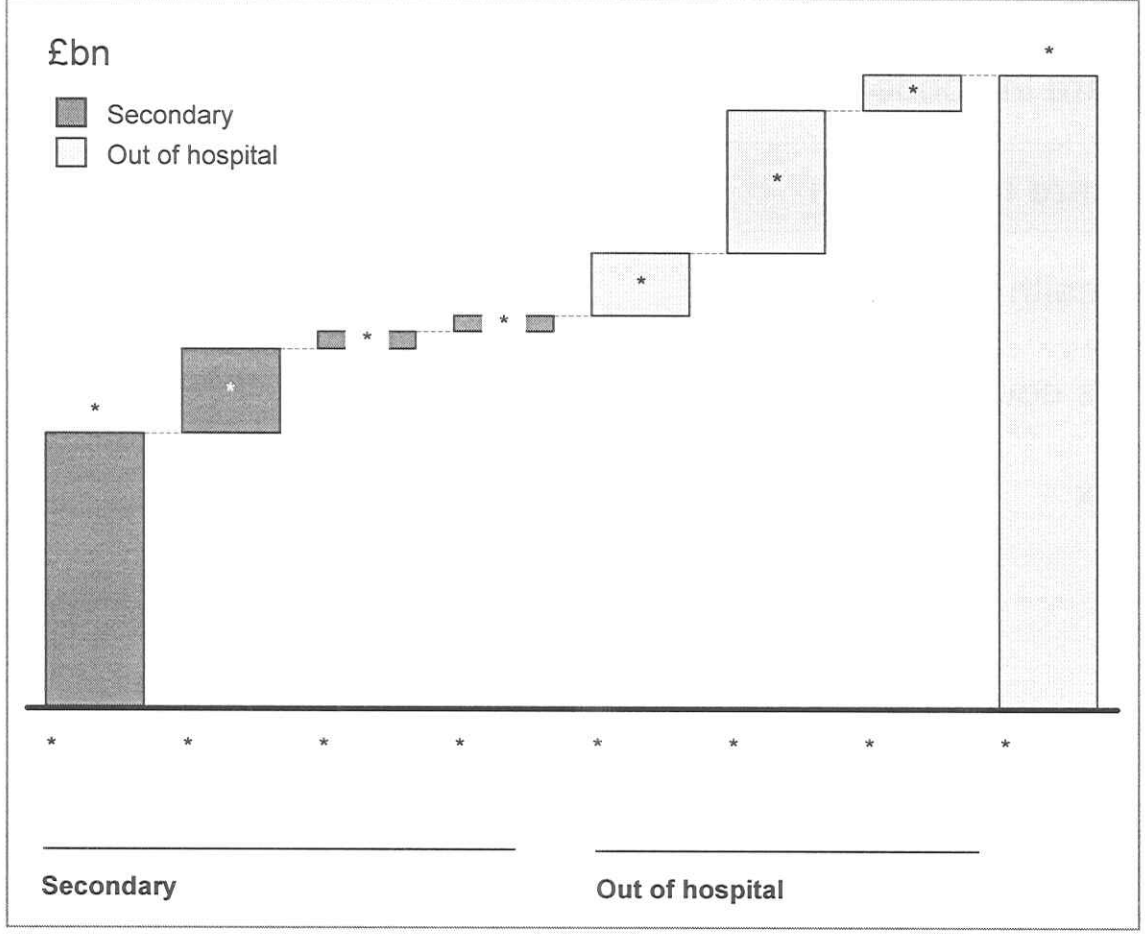


5. Implement best practice care and reduce errors
6. Optimise clinical operations
7. Reduce non-clinical costs
8. Mobilise patients

Today, approximately half of London's healthcare expenditure is on secondary services, but this is likely to fall as care is shifted closer to home

PRELIMINARY

2008/09 PCT expenditure in London



1 Includes learning difficulties, mental illness, maternity and other secondary care services

Why is care being shifted closer to home?

Quality

Effective primary care could lead to reduced admissions to hospital, which are an indication of illness or high need and could lead to risk of overtreatment

Management

Budget will now be managed by GPs, who will have an incentive to keep patients out of hospital in order to balance their books and invest in primary care

Funding

A real reduction in funding for the average London consortium means they will need to allocate commissioning spend for maximum health benefit

Satisfaction

Patients want to have care closer to their homes, especially as health needs change with increasing old/frail population

SOURCE: NHS, 2008/09

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Local authorities, who commission social care, have an increased mandate in health, social care and public health under the new policies

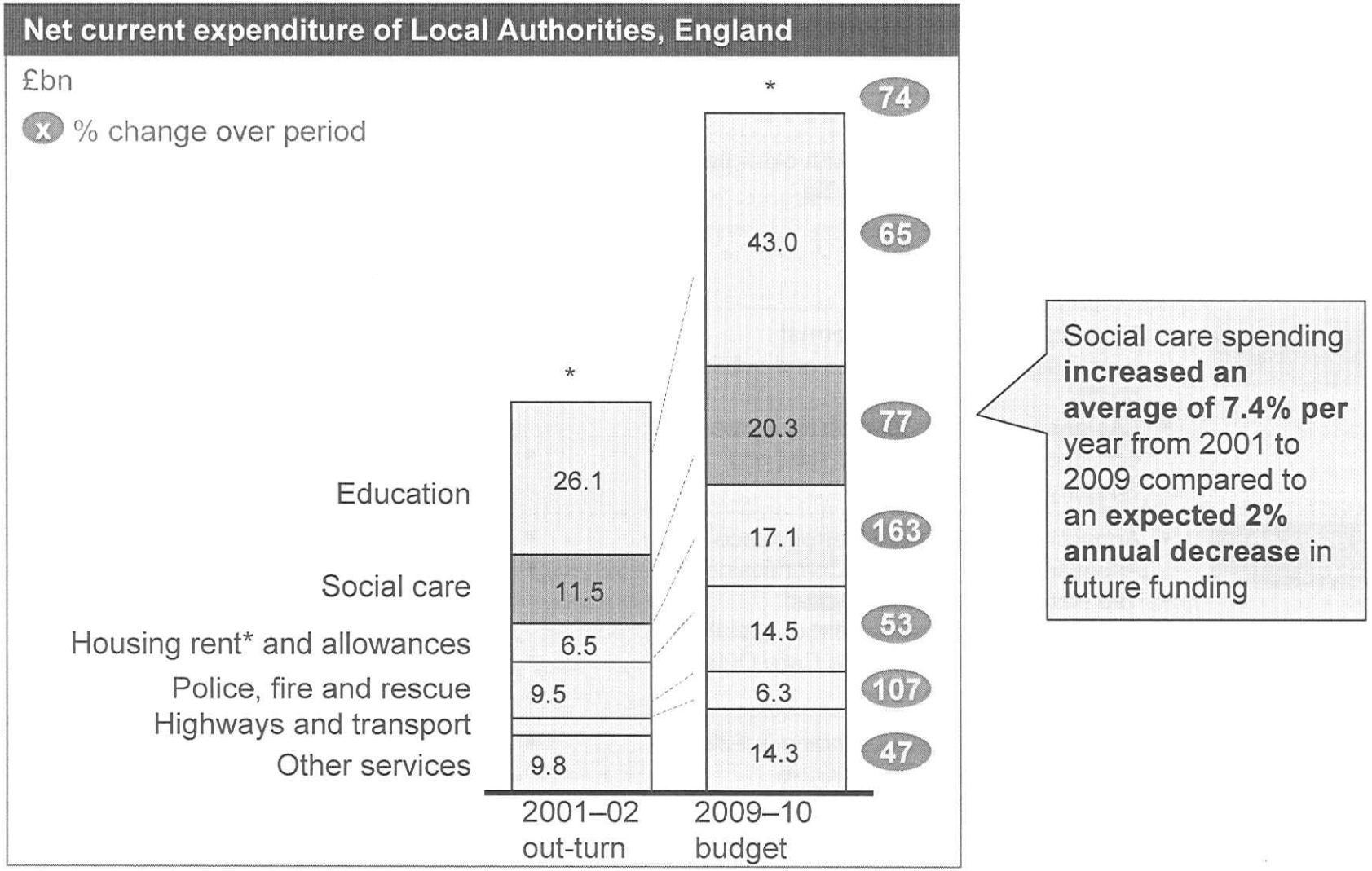
PRELIMINARY

	2010	2011 onwards
Organisation boundaries	▪ 33 local authorities	▪ 33 local authorities ▪ More complex partnership network as GP commissioning consortia and clusters replace 31 PCTs
Social care	▪ Gross total cost of £3.2b with older people services accounting for £1.5b	▪ A 16% nominal decrease in social care funding over 4 years (4.2% decrease per year) ▪ Mergers of social care department are expected
Health	▪ NHS organisations have formal responsibility for healthcare and public health ▪ LAs ensure local accountability of the NHS services through their Overview and Scrutiny Committees	▪ Each LA has a Health and Wellbeing Board whose main aim is to promote integrated working between NHS, social care, public health and other LA services ▪ LA have formal responsibility and funding for public health (transferred from PCTs)
Management and oversight	▪ Annual Comprehensive Performance Assessment by the Audit Commission ▪ 198 National Indicators tracked ▪ Inspections and assessment of social services department by the Care Quality Commission	▪ Peer-led reviews and challenge mechanism ▪ Quality standards developed by NICE with quality and outcome information published online ▪ CQC assessment of social care
Funding	▪ Core government grant funding is £28.5b ▪ London funding (including GLA) ▪ for 2010/11 has been cut by £0.4b	▪ Reduction in revenue funding of around £1.5b (in 2010-11 prices) by 2014-15. This would represent ~27% of London LA's grants, excluding schools and police

SOURCE: The state of the adult social care workforce in England, 2010 regional statistical summary volume 1, Skills for Care, 2010; Liberating the NHS: Local democratic legitimacy in health, DH, 2010

In the last decade, LA expenditure and social care spending specifically had almost doubled across England. . .

PRELIMINARY



* Shift from capital to revenue reflects outsourcing of housing to local associations

SOURCE: www. communities.gov.uk – revenue and capital expenditure and financing, 2001–02 and 2009–10

Older people account for the largest share of the £3b social care spend, with the majority of funds going into care homes and home care

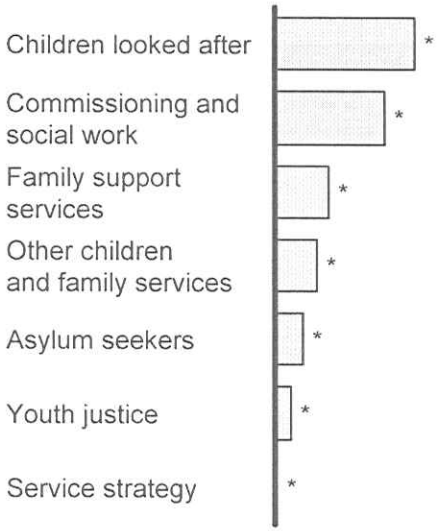
PRELIMINARY

Cost of social care, London, 2009-10

£m

Children's social care accounts for about 1/3 of total social care spend in London

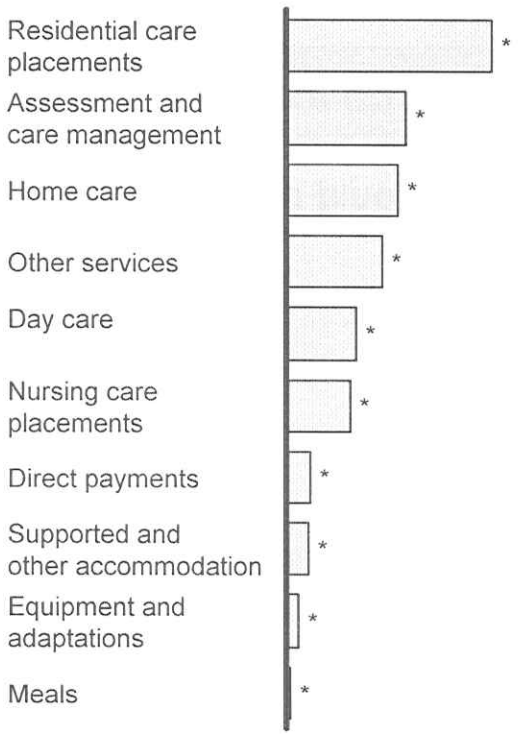
Children's social care expenditure, including support costs, £m



Total 1,238

Adults social care accounts for about 2/3 of total social care spend in London

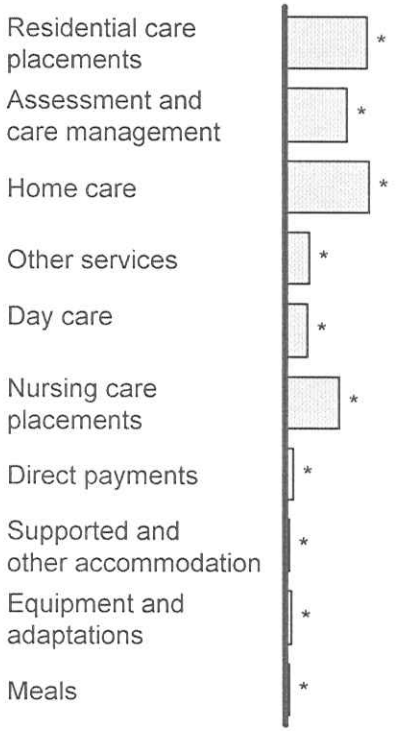
Adults social care expenditure, including support costs, £m



2,296

Within the elderly, the largest cost driver is residential and home care

Elderly social care expenditure (as a subset of adult social care), including support costs, £m



1,097

SOURCE: PSSEX/NASCIS

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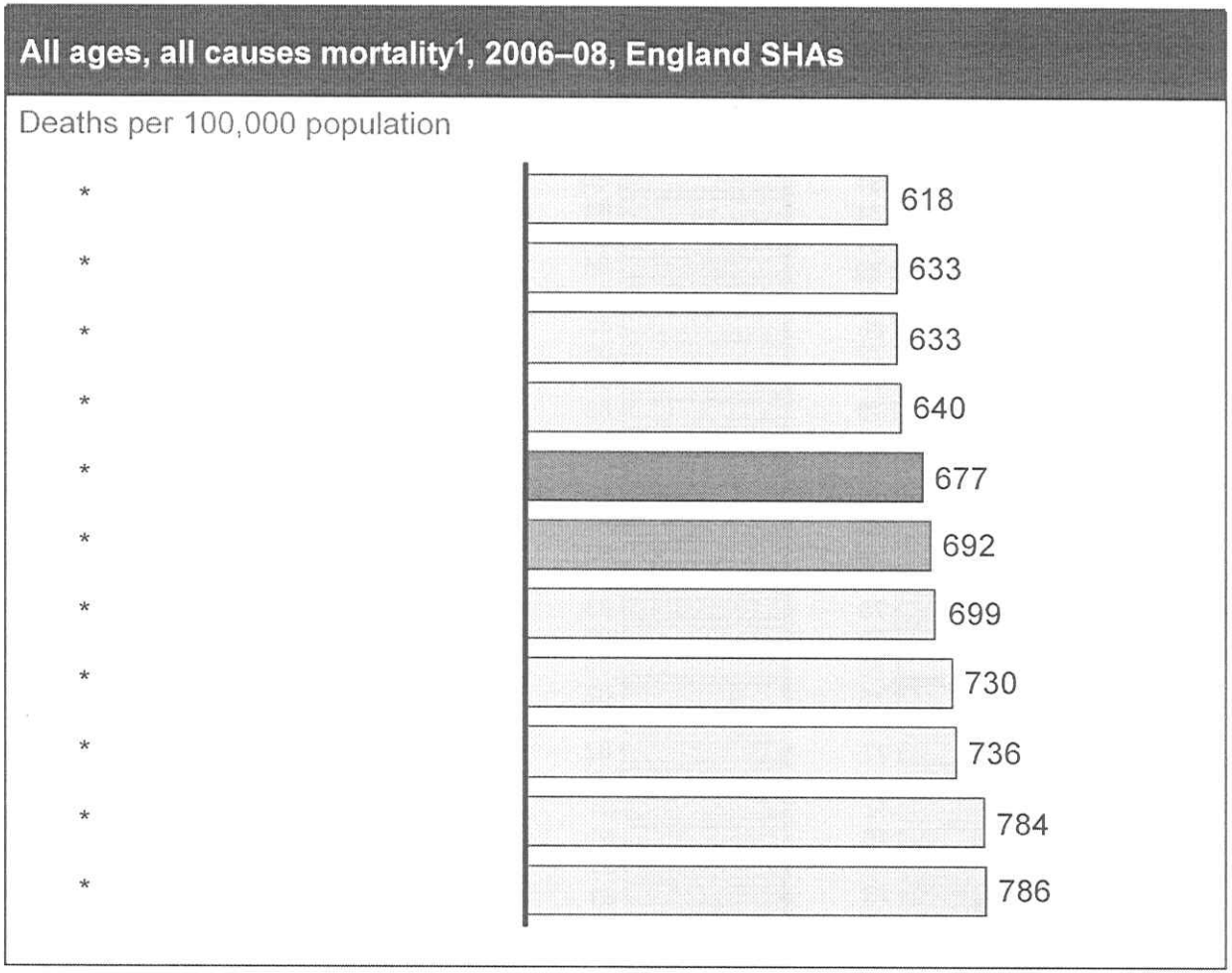
London's public health is reasonably good relative to England…

PRELIMINARY

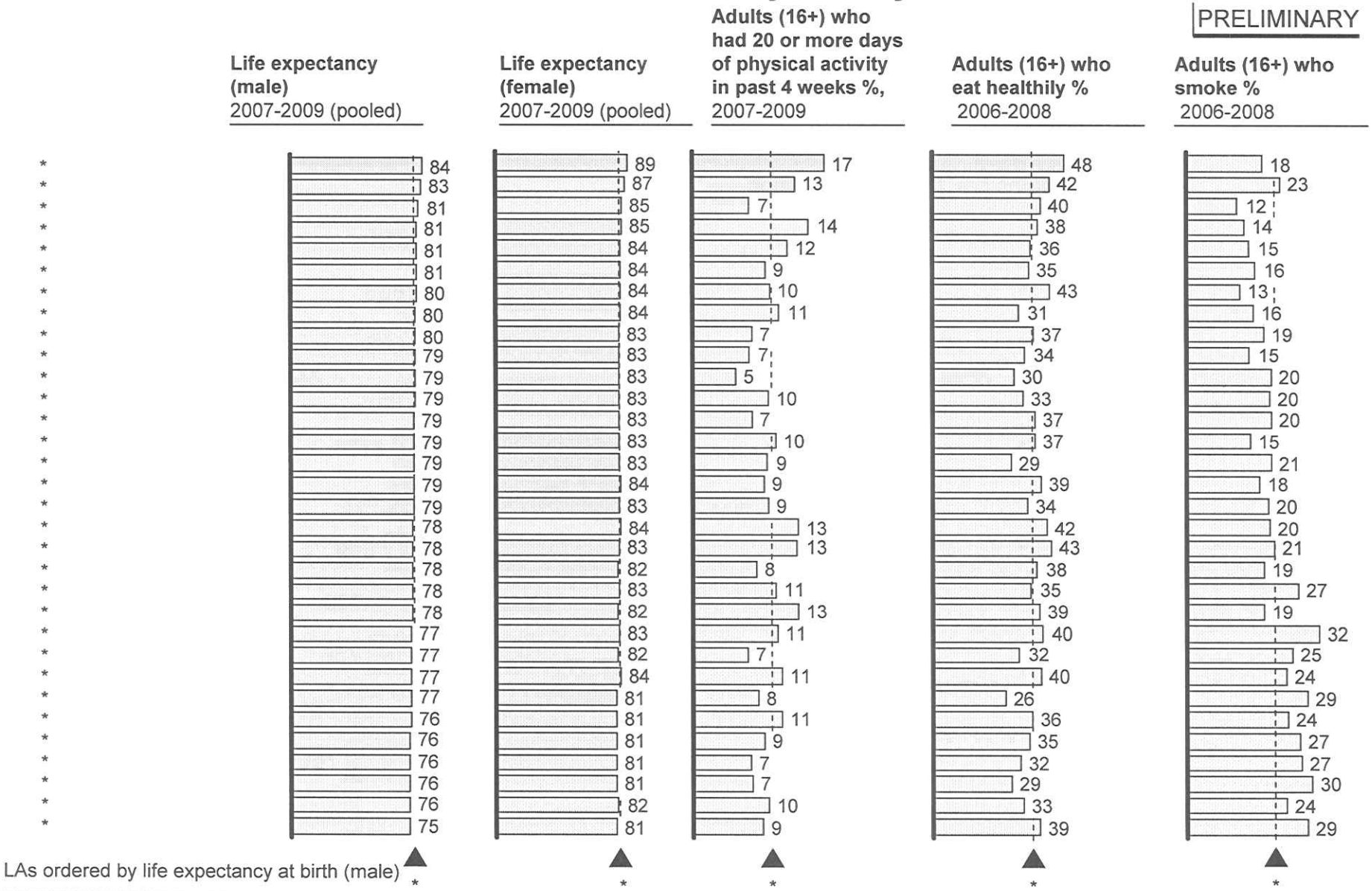


1 Directly age-standardized rate

SOURCE: NCHOD December 2009

...but health outcomes and behaviours vary widely across London

PRELIMINARY

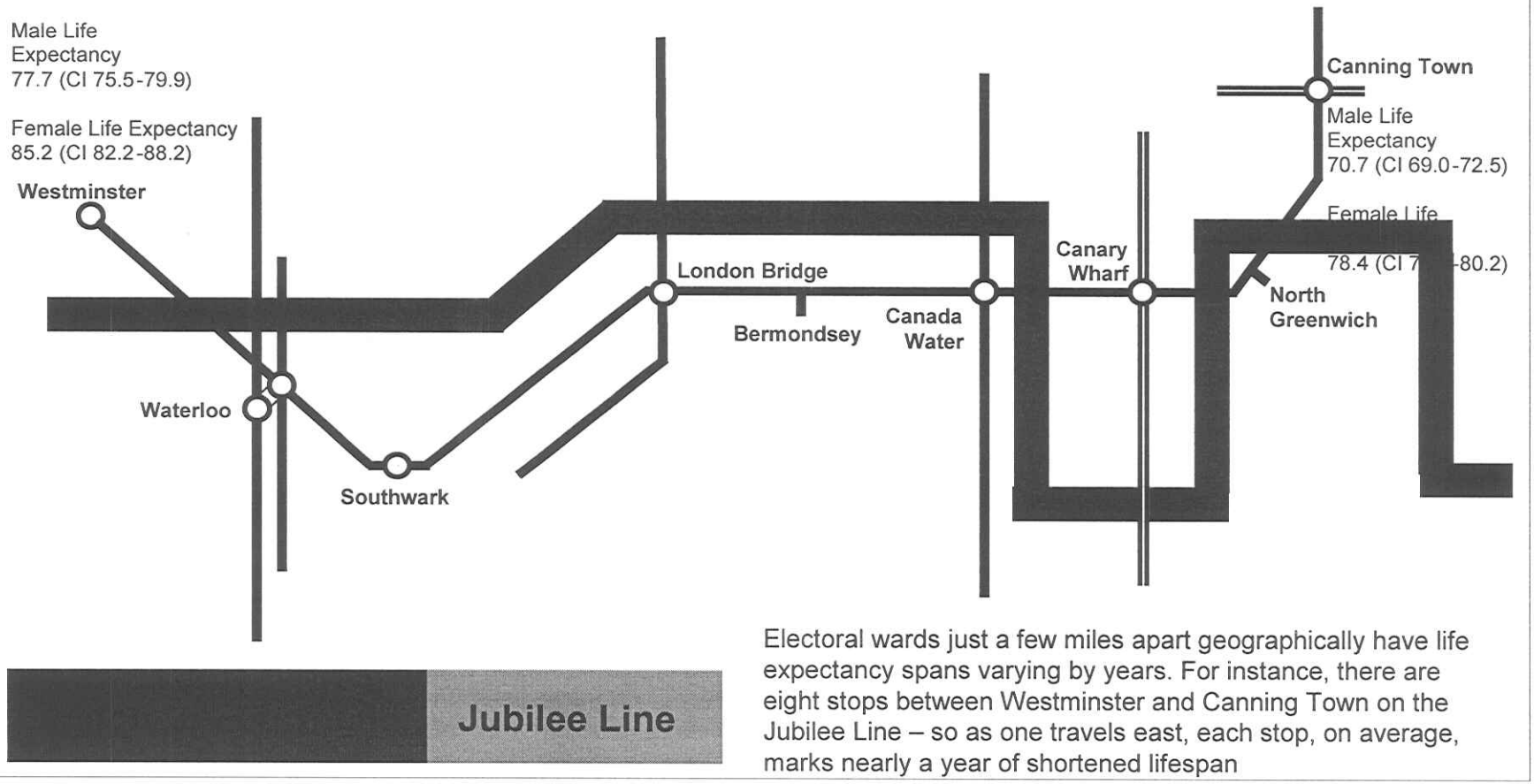


SOURCE: APHO

Health inequalities across London translate to lost years in life expectancy

PRELIMINARY

Travelling east from Westminster, each tube stop represents nearly one year of life expectancy lost



Electoral wards just a few miles apart geographically have life expectancy spans varying by years. For instance, there are eight stops between Westminster and Canning Town on the Jubilee Line – so as one travels east, each stop, on average, marks nearly a year of shortened lifespan

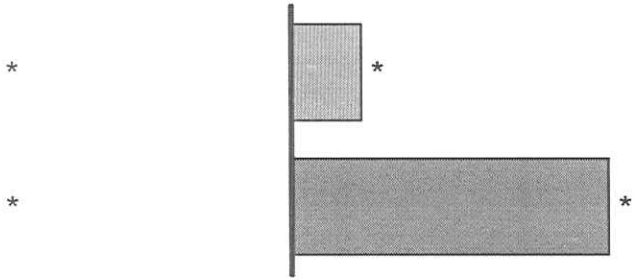
SOURCE: Analysis of London Health Observatory using Office for National Statistics data. Diagram produced by Department of Health

There are certain public health problems that are particularly prevalent in London relative to the rest of the U.K.

PRELIMINARY

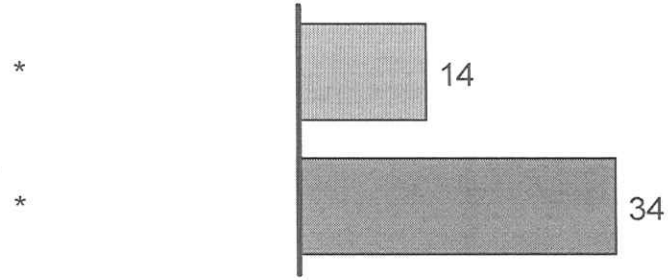
HIV diagnoses, 2009

Prevalence rate per 100,000 adults



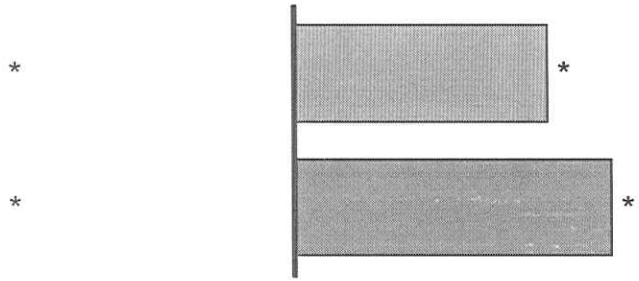
Incidence of tuberculosis, 2008

Directly standardised rate per 100,000 population



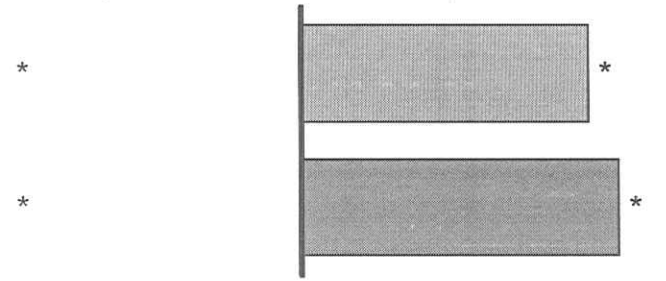
Prevalence of mental health disorders, 2009-10

% prevalence



Conceptions, 2008

Crude rate per 1,000 women under 18



SOURCE: Health Protection Agency; NCHOD; QOF; ONS

The proposed policy changes have implications for the players in the public health system

PRELIMINARY

Local authorities

- Hosting the new public health team
- Capitalising on the synergies with public health – e.g. environmental health, housing, education, arts and leisure, town planning, licensing
- Establishing the Health and Wellbeing Boards – constructive challenge, common purpose and shared accountability
- Demonstrating tangible improvements in health and wellbeing

Caring professionals

- Managing expectations - understanding for themselves, and explaining to the population, what the new system is
- Looking at whole care pathway with others, and not just their own part of it
  - inputs, outputs, and outcomes
  - for each intervention, from prevention to terminal care
  - at each stage of life, from infancy to old age
- Responsible stewardship of public resources and public trust – submitting to local scrutiny, publishing outcomes and sharing their learning.

GPs

- Adapting to new role, new perspective, new set of values
- Balancing the somewhat conflicting elements of their new role
  - As providers they must be patient focussed and pay attention to short term goals
  - As a commissioner they must focus on the entire population and focus on long term goals

HealthWatch

- Building new local organisations to replace Local Involvement Networks (LINks) and Independent Complaints Advocacy Services
- Carrying out functions in both health and social care:
  - Become "consumer champions" (help with complaints)
  - Become a "citizen's advice bureau" (e.g., help with choosing a GP practice)

The public

- Responsibility for their own health protection
- Self-care, and use of preventive services
- Cooperation in the therapeutic process
- Challenge, choice, feedback, engagement

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Councils are looking for ways to respond to policy changes and increased financial challenges

PRELIMINARY

Response options	Cut free services	Improved efficiency	New and reconfigured services
	▪ Discontinue services ▪ Revise eligibility criteria ▪ Tougher assessment ▪ Introduce or increase service fees	▪ Outsource to lower cost providers ▪ Merge services to achieve economies of scale ▪ Improve procurement	▪ Introduce new services that reduce demand for more expensive services ▪ Integrate services to benefit from synergies
Examples	▪ Cuts announced by Manchester include the closure of the legal advice service, Manchester Advice as part of nearly £40m adult social services cuts	▪ Hammersmith and Fulham, Kensington and Chelsea and Westminster councils plan to: – Combine children and adult social services with single directors – Combine HR, IT and facilities management – Combined environmental services ▪ Expected savings: £35m ▪ Expected staff cuts: 500	▪ Improvement and Efficiency South East promotes adoption and expansion of Shared Lives schemes (living with people with care needs) ▪ Savings achieved: between £35 and £640 per week ▪ The average saving for someone with a learning disability in residential care is 60%

SOURCE: The Municipal Journal

Councils, GP commissioners and other agencies are currently planning their response to these opportunities and challenges

PRELIMINARY

	Councils	GP commissioners	Monitoring agencies
Challenges	▪ "Balance the books" in 10/11 ▪ Re-think services on fundamental priorities	▪ Achieve management cost savings of 45% ▪ GP consortia must acquire skills required for commissioning ▪ Achieve QIPP savings of ~33% over the next 3 -4 years	▪ How will outcomes be measured? ▪ How will quality be verified?
Opportunities	▪ Productivity improvements ▪ Performance management of contracted services ▪ Service integration / shared services ▪ Decentralised spending ▪ Separate delivery of universal and targeted services for efficiency ▪ Re-tender and outsource	▪ Cost savings from: - Merged management and back office - Economies of scale in procurement - Improvements in pathways - Decommissioning of services - Establishing thresholds for funding ▪ Costs can be reduced through: - Integration of specific teams - Redesigning patient / public flows - Decommissioning of services	

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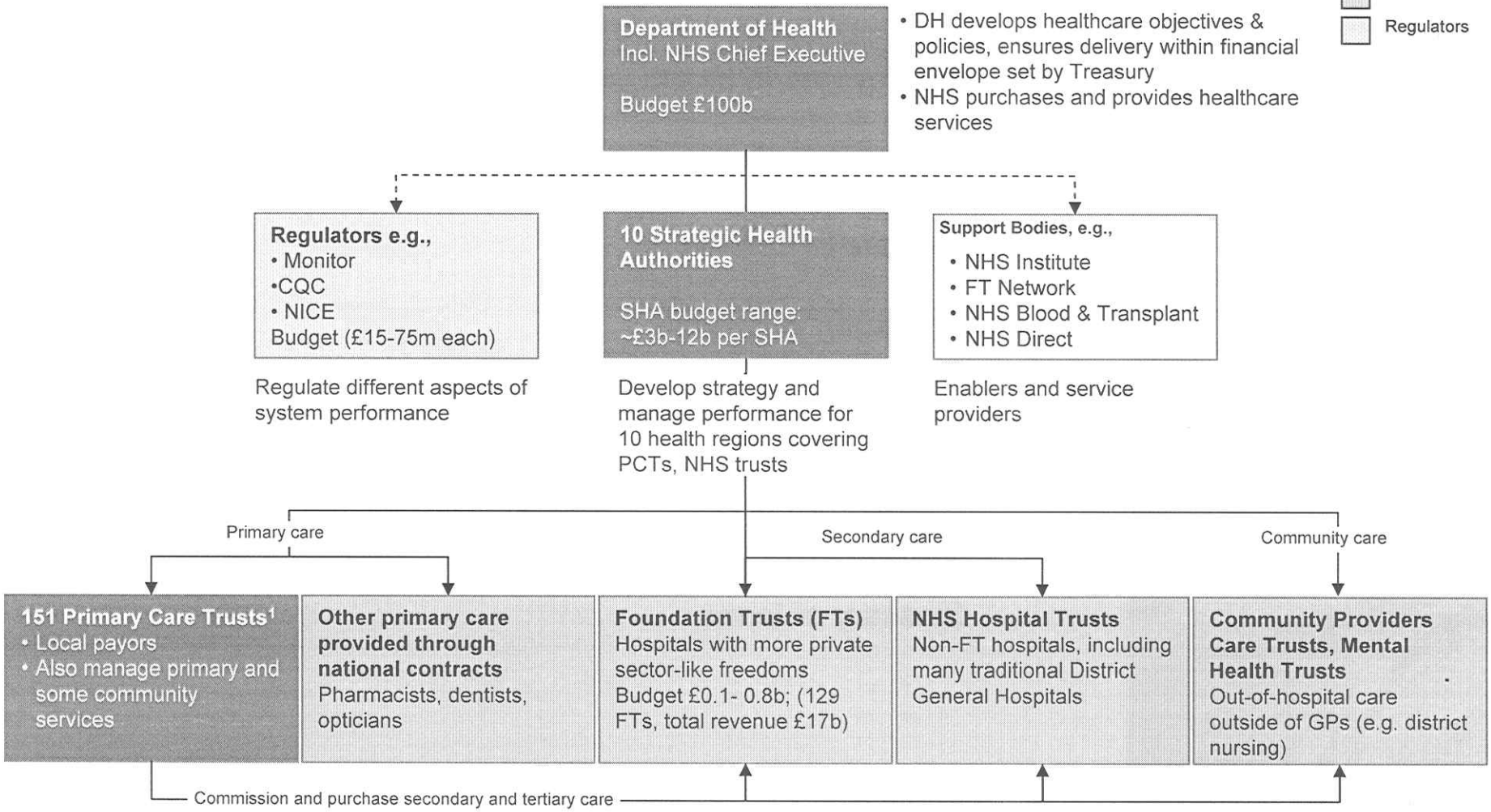
  - **Current NHS structure**
  - Glossary of terms

NHS England
February 2011

PRELIMINARY

Payors
Providers
Regulators



- PCTs manage 82% of NHS budget
- PCT budget range: 147m – 1,520m per PCT

1 Six of the 151 PCTs are care trusts, organisations that work in both health and social care

Key payors in the English NHS system, 2010/11

PRELIMINARY

	Description	Role as commissioners
Department of Health (DH)	▪ Large government department – 2,245 employees – £100 billion budget – £219 million operating costs	▪ Negotiates entire public sector health system funding with Her Majesty's Treasury ▪ Ultimate responsibility for U.K.'s social services and public health
Strategic Health Authorities (SHAs)	▪ Regional headquarters and local managers of NHS – Performance manage local commissioners – PCTs – Develop regional strategy (particularly including reconfiguration of services)	▪ Hold "access funds," which PCTs can qualify for based on achieving tough, pre-agreed targets – used to incentivize performance ▪ "Strategic capital" allocated according to weighted capitation formula used to fund schemes deemed priorities for major change
Primary Care Trusts (PCTs)	▪ Form cornerstone of NHS, holding 82% of budget ▪ Commission services from acute and primary care (currently separating community care)	▪ Allocated 82% of NHS budget based on formula that accounts for population, predicted need, and local market forces ▪ Allocated funds separately for demand – let primary core services, e.g., capitation fees
London Sectors/ Clusters	▪ Increasingly PCTs are being encouraged to share functions, particularly in the transition period ▪ Within London, 6 sectors / 8 clusters have been set up, which provide commissioning support to PCTs on secondary care (eg management, performance reviews etc)	▪ Commission secondary (and tertiary) care services for PCTs to benefit form economies of scale

SOURCE: The NHS Handbook 2009/10

Key providers in the English NHS system, 2010/11

PRELIMINARY

	Description	Role as providers
Foundation Trusts (FTs)	▪ Established in 2003 ▪ Separate nonprofit legal entities ▪ Independent from control by Secretary of State, Department of Health and SHAs ▪ Have substantial financial and operational freedom ▪ "Graduate" from NHS acute trust status by application to independent regulation – Provide a 5year long term financial plan and integrated business plan – Provide evidence of strong governance – Provide evidence of strong quality outcomes	▪ Provide secondary and tertiary hospital and community-based care services ▪ Agree legally binding cost and volume contracts with Primary Care Trusts based on national tariffs (set by Monitor), and are remunerated for activity levels – "payment by results" within any fixed activity caps
NHS Secondary care Trusts	▪ Set up in 1991 ▪ Self-governing bodies with board of directors ▪ Free to organize own affairs, subject to legal framework, provision contracts, and performance management by Strategic Health Authorities	▪ Provide secondary and tertiary hospital and community-based care services ▪ Agree legally binding cost and volume controls with Primary Care Trusts based on national tariffs ▪ All to become Foundation Trusts, originally by 2008 (but now extended until April 20124[1])
Mental Health Trusts	▪ Analogous structure to Secondary Care Trusts	▪ Provide hospital and community-based mental health services, including secure and forensic services based on block contracts ▪ All to become Foundation Trusts by April 2014
Provider arms	▪ Community-based organizations employing managers, administrators, GPs, nurses, therapists, and other support services	▪ Provision of community care services ▪ Act as gatekeepers to secondary care, effectively demand-managing ▪ Undergoing separation from PCTs – which must be complete by April 2012 ▪ Options for new structure include: – Merging with hospitals – Standalone Foundations Trusts – Standalone social enterprises

1 In 2010/11 Operating Framework