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Ask for: Tristan Godfrey
Your Ref:
Our Ref:
Date: 3 June 2011

Dear Member

HEALTH OVERVIEW AND SCRUTINY COMMITTEE - FRIDAY, 10 JUNE 2011

I am now able to enclose, for consideration at next Friday, 10 June 2011 meeting of the Health Overview and Scrutiny Committee, the following report that was unavailable when the agenda was printed.

Agenda No	Item
6	<u>NHS Financial Sustainability: Part 3 - Mental Health, Community Health, and Ambulance Services (1 - 2)</u> (Report from the Kent and Medway NHS and Social Care Partnership Trust)

Yours sincerely

Peter Sass
Head of Democratic Services

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Kent and Medway 
NHS and Social Care Partnership Trust

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Our Ref: MD/sd/11-282

1 June 2011

Tristan Godfrey
Research Officer
Health and Overview Scrutiny Committee
Kent County Council
Sessions House
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Dear Tristan

RE: HEALTH AND OVERVIEW SCRUTINY COMMITTEE [HOSC] – 10 JUNE 2011

Following your Chairman Nick Chard's letter of 26 April 2011 addressed to our Chief Executive Erville Millar, for which many thanks, I can confirm that I will be attending the HOSC on Friday 10 June 2011 at 10.30 hours to discuss NHS Financial Sustainability in my capacity as Acting Chief Executive.

I understand each Trust will be asked to start the item off with a brief verbal overview and update. Kent Community Health Trust [KCHT] will commence this process, followed by ourselves Kent and Medway NHS and Social Care Partnership Trust [KMPT] and then others as agenda'd.

In response to the specific questions posed by the HOSC, please find below KMPT's response. Please also accept our sincere apologies for the lateness of this response.

Why is achieving financial balance across the local health economy important and what are the potential consequences of not doing so? KMPT has a legal duty to remain in financial balance. The Strategic Health Authority [SHA] and Primary Care Trust [PCT] overview KMPT's performance including financial position. Failure to remain in balance would initially involve action from the SHA and may, if the failure to balance continues, include direct action from the Department of Health [DoH] with a Turnaround Team being put in place to bring KMPT back in to a balanced position.

What kinds of measures have been taken in 2010-11 in terms of changing what services you provide and the way in which they are provided within your organisation in order to try and achieve financial balance? KMPT is looking at all of its functions and has already reduced management costs and is continuing to drive down costs in administrative functions. Work is ongoing in clinical services to review how these are delivered to seek opportunities to provide services differently and more cost effectively.

KMPT is also looking at its estate to see if savings can be derived from reducing the amount of space we currently occupy.

What kinds of measures are being considered for 2011-12? The process for 2011-12 is ongoing as described above for 2010-11.

What do you see are the main challenges to achieving financial balance across the health economy as a whole? Demand continues to rise and the ageing population will increase pressures on services. The general economic position is also placing more individuals under pressure and there are some indications that this may have an impact on demand.

What has been the impact of the NHS Operating Framework for 2011-12 and the financial settlement for this next financial year? The NHS Operating Framework has set the levels for efficiency savings at 4%. This is in addition to the Quality Innovation Productivity and Prevention [QIPP] monies and does not include cost pressures in the system.


How is the QIPP challenge being met within your organisation? KMPT is continuing to work with Commissioners and has an agreed process to identify areas for change that will enable funding to be removed and areas where Commissioners will seek to reinvest.

Are there any particular challenges and/or opportunities that come from your organisation covering more than one PCT area? Covering more than one PCT area allows us to identify areas of best practice, test new service models as pilots, which if successful can be rolled out over a larger area. There are also economies of scale that we can make by merging some functions. Providing services to more than one PCT also allows some services to be function based economically.

Our principle challenge is to be able to implement technology that will reduce the carbon impact a Trust of our size has.

Are there any particular demographic trends in Kent that will have an impact on the kinds of services you provide? Changing profiles in the population will influence the shape of services going forward.

With best wishes



MARIE DODD
Acting Chief Executive

cc: Helen Buckingham, Director of Whole System Commissioning / Deputy Chief Executive Kent and Medway PCTs

Lauretta Kavanagh, Director of Commissioning for Mental Health and Substance Misuse NHS Medway