

**Report for the Kent Health Overview and Scrutiny Committee Meeting – 10 June 2011
From Kent Community Health NHS Trust (KCHT)**

OVERARCHING QUESTION 1:

What are the challenges to ensuring the NHS in Kent is financially sustainable?

The challenges from a Kent Community Health NHS Trust (KCHT) perspective are being able to respond to increased demand as Quality Innovation Productivity Prevention plans push acute demand into the community, whilst at the same time achieving Trust efficiency plans. The anticipated change in demographics through increase in aging population will mean larger numbers of elderly and vulnerable patients at home with complex conditions.

OVERARCHING QUESTION 2:

Are there any implications for the range and quality of health services available to the people of Kent as a result of any measures being taken to achieve or maintain financial sustainability?

There is an opportunity for greater integration of services to better address the needs of patients, for example, across Community Services, Primary Care and Social Services. This should also result in improved efficiencies through better management of patient pathways.

1. Why is achieving financial balance across the local health economy important and what are the potential consequences of not doing so?

For KCHT if financial balance is not achieved within the local health economy there will be pressures on Community Services to deliver additional efficiencies to balance the health economy budget. This will have a potentially negative impact on the capacity and quality of our Community Services. Reducing this capacity will in turn not support the Acute shift and therefore mean the continuation of a health economy overspend. KCHT will also not be able to deliver its investment plan, for example, in IT and Infrastructure. KCHT has a statutory duty to deliver a financial balance. The Trust will be seen as a failing organisation and will be subject to special performance monitoring. If we are unable to achieve financial targets then we will not achieve Foundation Trust licence and this will then mean further reorganisation for the local NHS.

2. What kinds of measures have been taken into 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?

KCHT have established a Cost Improvement (efficiency) Programme. The programme ensures that the Trust delivers financial targets. The programmes include:

- reducing management and overhead costs
- improving efficiencies through new ways of working through the Productive Community Services programme. This has resulted in increased patient facing time, now above the national average.

Item 6: NHS Financial Sustainability

- reductions in travel and agency costs
- improved efficiencies through better use of IT

KCHT has developed and implemented service visions which have changed the way we organise and deliver our services to improve patient care and deliver efficiencies. There has been a particular focus on integrating services across professions and agencies for example, integrating Community Nurses with Primary Care (GPs), Integrated Children's Teams. There is the potential for integration with Social Services. In addition we are using tools and technology to better manage patients and avoid acute admission or facilitate discharges including Telehealth and predictor tools such as the Sussex and PARR which can predict the risk of admission at individual patient level. There has been no negative impact on access to or quality of the services and we continue to deliver against our contractual requirements.

3. What kinds of measures are being considered for 2011 / 12?

The Cost Improvement Programme for 2011/12 is to deliver approximately £14.5m in efficiency savings which is around 8% with a focus on the following areas:

- Back Office
- Procurement
- Workforce productivity
- Community Information System
- Estates

4. What do you see are the main challenges to achieving financial balance across the health economy as a whole?

The biggest challenge in achieving financial balance across the whole health economy is managing Acute demand. Community Services have critical role in that agenda. There has been an increase in Community Services to support care closer to home, for example, the increase in Intermediate Care / Rapid Response Teams, the establishment of specialist services in COPD, Stroke, the use of Telehealth etc, however Acute demand continues to rise. Better integration across services including social care, improved access to services e.g. telephone number – 111, and improved targeting e.g. user of tools to predict and pre-empt hospital admissions will support the reduction in Acute demand.

The increased demand for Community Services under a reducing block contract is a major challenge. The complexity of the new Commissioning world may make it harder to manage the whole system, however closer working with GPs is an opportunity to improve the system. Opening up the marketplace may bring a number of challenges and opportunities, those challenges may include duplication of provision and loss of economies of scale.

5. What has been the impact of the NHS Operating Framework for 2011/12 and the financial settlement for this next financial year?

The main impact has been a 1.5% reduction in block contract, whilst a requirement to continue to meet high quality and performance.

6. How is the QIPP challenge being met within your organisation?

KCHT participates in Kent and Medway QIPP. KCHT is working with Commissioners in developing and delivering the whole system QIPP plans.

There is more detailed work to do to understand the impact on Community Services of the Commissioners QIPP Plans which plan for a significant reduction in acute spend. This will require an increase in emphasis of care closer to home. We are working with Commissioners to achieve this. The work referred to earlier on predictive modelling and internal capacity and demand management will contribute to the County plans.

7. Are there any particular challenges and / or opportunities that come from your organisation covering more than one Primary Care Trust are?

No.

8. Are there any particular demographic trends in Kent that will have an impact on the kinds of services you provide?

The population of Kent has a high proportion of people over 65 years old. This is predicted to rise considerably in the next 5 years to over 4% higher than the national average.

In Kent elderly people with more than one long term condition live longer than the national average. That is excellent news and a testament to local health services but it brings with it increased pressure on our community services and an increase in demand for the care of long term conditions. These patients are often less able to travel to receive treatment and often require care at home, from our Primary care nursing Teams, Community Matrons or in the short term, Intermediate Care Services.

The four major causes and related percentages of death in Kent in all ages are:

- Cancer (26%)
- Coronary heart disease (17%)
- Respiratory disease (15%)
- Stroke (11%)

These correlate closely with national figures. Deaths related to these diseases will frequently have been associated with long term illnesses.

Compared to national averages Kent also has a high percentage of people living for longer with conditions such as diabetes and mental illness. There is an increasingly high number of younger people living with long term conditions such as diabetes, often related to poor diet and obesity, who require life long management and support from a healthcare professional.

Forecasts predict that the number of children under the age of 5 living in Kent will rise by 10%. This will impact on the children's workforce requiring a similar increase in capacity. This will be most significant in Health Visiting where an increase of approximately 75% on

Item 6: NHS Financial Sustainability

the current workforce is already required by 2015 to meet the Coalition Government's pledge to increase Health Visiting numbers nationally.

Nationally, the health sector has an ageing workforce, with 73% of staff over 35 years of age. The age profile for Kent is very similar to the National profile with the largest percentages in the 45-49, 50-54 and 40-45 age groups respectively.

Currently 34% of our workforce is recorded as being over 50, slightly higher than the national figure of 31%. However this is balanced by the fact that over 15% of our workforce is recorded as being under 29 compared to 11.49% nationally. The abolition of the statutory retirement age may help to increase capacity within the sector if employees chose to delay retirement.