



## **North Merseyside Pathology Network**

**What next after Carter?**

**Phil Hudson**

**11th December 2009**



**Collinson Grant  
Healthcare**

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# Change is coming

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- 'Rate of increase' in funding decreasing
- The Lord's Darzi and Carter Reviews
- Modernising Scientific Careers
- World Class Commissioning
- Point of Care Community testing
- Long-term management of disease
- New technologies and ways of working

# A year is a long time in Pathology...

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- *In this second phase of the review we set out our vision for NHS pathology services. The main objective must be improved quality and patient safety, delivered through service consolidation*
- *Based on the evidence we have collected, we believe there is a strong case for consolidation of pathology to improve quality, patient safety and **efficiency***

(Lord Carter of Coles, Report of the Second Phase of the Independent Review of NHS Pathology Services, December 2008)

## From the Department

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- *Based on the evidence we have collected, we believe there is a strong case for consolidation of pathology to improve quality, patient safety and **efficiency***
- *Characteristics of a good consolidated service would be end-to-end management of the service (including transport and logistics, IT connectivity and **efficient and effective use of resources, including people**) and the concentration of non-urgent and specialist work in one or more centralised and accredited core laboratories where throughput is sufficient to ensure high-quality results*

(The Rt Hon Dawn Primarolo MP, Minister of State for Public Health, Foreword to the Report of the Second Phase of the Independent Review of NHS Pathology Services, December 2008)

## And in case you missed it....!

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- *SHA chief Margaret Edwards to lead productivity unit*
  - *She has agreed to lead the unit, set up by NHS chief executive David Nicholson and based in NHS London, and will start as national director of **productivity and efficiency**.....*

(HSJ, 6th March 2009)

- *Everyone we have spoken to acknowledges that driving up standards, quality and patient safety, at the same time as reducing costs by between **£250 and £500 million a year** for reinvestment in the service, is a prize worth pursuing vigorously*

(Lord Carter of Coles, Report of the Second Phase of the Independent Review of NHS Pathology Services, December 2008)

## Yeah, but that was all because of the Review.....

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- *The prospects for the UK economy have dramatically worsened since the last Budget. One year ago Mr Darling thought the economy would grow by 2.5% this year; now he says it will shrink by 3.5%. But he is still hoping it will bounce back next year*
- *The current budget squeeze means that the gap between government spending and taxes will continue to widen*
- *The government may also face higher costs as benefits and debt service rise. If it also **tries to protect health** and education, other services could face major cutbacks*

(BBC News, <http://news.bbc.co.uk/1/hi/business/8002618.stm>, accessed 11th May 2009)

## And that was in May!

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- *NHS trusts will have to deliver between £15 billion and £20 billion in efficiency savings over three years from 2011 to 2014, David Nicholson, the NHS chief executive, told health service finance directors in a speech delivered behind closed doors*

(<http://www.telegraph.co.uk/health/healthnews/5524693/>, accessed 2nd December 2009)

- If we can't achieve the £500m cuts in Pathology, we will not achieve the £20 billion in the NHS

(unattributed source, John Stevens, SBK Quality in Pathology, 1st December 2009)

## And your point is

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- You were warned!

# Variation exists, but so does data describing it!

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- Cost per test
  - Productivity of the staff
  - Use of capacity
  - Staffing profiles
- Speed of turnaround
- Range of services offered
- Accreditation (or otherwise!)
- And in the price charged by Acute Trusts to Primary Care!

## And your point is?

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- Variation implies inefficient use of resources
  - who is responsible for the allocation and use of resources?
- Staff costs and productivity vary significantly
  - Workforce planning and development is key

# A word about workforce planning

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Workforce planning is a process that aims to predict the demand for different skills and considers how best to manage the supply of suitably qualified, competent and skilled people to meet that demand. So it covers issues such as

- defining the competences that the service needs
- designing roles
- commissioning and providing education, and learning and development
- recruitment and retention
- succession planning
- flexible working arrangements

## Or alternatively.....

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Workforce planning is about getting the

- Right people in the
- Right place at the
- Right time and in the
- Right numbers

# What is workforce planning? (continued)

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- At the heart of the discipline are the measurement and management of workforce demand and supply
  
- Workforce supply:
  - How does the future state differ from the current state?
  - Can the gap be filled by finding new ways of working?
  - How will the gaps in skills and competences be filled?
  - What resources will be needed to make this happen?
  
- Workforce demand:
  - What will the service look like in the future – volumes, processes, etc?
  - What skills and competences will be required?
  - What assumptions have to be made about productivity and efficiency?
  - How many people will be needed and what grades?

## Some supply side factors

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- Retirement
- Part-time working
- Change in the amount of training and continuing personal development
- Change in employment
- Change in working hours (goodwill)

# Some demand side factors

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- Technology
- Volume of work
- Setting of work
- Reprofileing of work
- Consolidation of organisations

## And your point is?

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- Many factors may change in Pathology over the next few years
  - Supply side (the individual)
  - Demand side (the job, the technology)
- Change provides opportunities to reprofile the workforce

# Organisational forms for 'full-service' Pathology

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- Data and opinion suggests that organisational consolidation is desirable
- Improvements in quality and productivity should occur
- Costs and variation should reduce
- New technology will be introduced more easily
- Workforce development and planning will become straightforward

## Organisational forms for 'full-service' Pathology (2)

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- Single Acute Trust, with laboratories at multiple locations
- Single Acute Trust, consolidated at a single location
- A 'confederated' network of Acute Trusts
  - Confederations are about members making decisions that are not to the detriment of any of the participants. It is successful only when no member loses in the short-term
- A 'federated' network of Acute Trusts
  - Federations are about collaboration, co-operative ventures and managing operations, including change, to the mutual, long-term interest of those represented. In the short term, some members may be disadvantaged.

## Organisational forms for 'full-service' Pathology (3)

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- A 'managed' 'network', managed
  - by or on behalf of the Acute Trusts
  - by the Primary Care Trusts
  - by the Strategic Health Authority
  - by a commercial entrant
- Organisational forms embed costs (and variation) outside the laboratory

# Organisational forms for 'full-service' Pathology (4)

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## ■ Examples include

- Frimley Park and Royal Surrey Partnership Pathology Services
- Pathlinks
- Kent and Medway Pathology Network
- Cumbria and Lancashire Primary Care Network
- University College London Hospital and Sonic Healthcare
- Guys and St. Thomas' and Serco

# So what's your point?

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- The perfect storm is fast approaching
  - Government debt
  - Lord Carter's 'line in the sand'
  - QIPP (well, QP anyway!)
  - World Class Commissioning
  - Care closer to the patient
  - Modernising Scientific Careers
  
- 'Something gotta change' (with apologies to The Stranglers, No More Heroes, 1977)
  
- Variation exists, but so does data describing it
  
- Workforce reprofiling and organisational consolidation key to success

# A word about Collinson Grant Healthcare

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- For over 20 years we have been helping managers in Healthcare - public *and* private - to transform the performance of their organisations
- We have worked in Pathology at all levels of the NHS
  - We played a big part in Lord Carter's independent review
  - We have helped the Department of Health to plan and develop the Pathology workforce
  - A Strategic Health Authority engaged us to examine the costs, structure and effectiveness of a confederated network
  - We have led projects in many Acute Trusts
- We have also supported many private providers of Pathology Services consider how best to succeed in the NHS market

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