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Should you ask management consultants to design your integrated care system? How to identify risks and learn from Sustainability and Transformation Plans

Dr Peter Levin

In December 2015, NHS England (NHSE) asked local NHS bodies to get together, and to work with local councils and other partners, to develop Sustainability and Transformation Plans (STPs) for the future of health services in their area. In Cornwall the lead was taken by NHS Kernow, the clinical commissioning group for the county.^[1] Conveniently only a single local authority, Cornwall Council, was involved.

NHSE issued a 'planning guidance' document^[2] but this was not in any sense a manual: there was no step-by-step set of instructions. All it had to say on planning was this:

Producing an STP ... involves five things: (1) local leaders coming together as a team; (2) developing a shared vision with the local community, which also involves local government as appropriate; (3) programming a coherent set of activities to make it happen; (4) execution against plan; and (5) learning and adapting.

Success also depends on having an open, engaging, and iterative process that harnesses the energies of clinicians, patients, carers, citizens, and local community partners including the independent and voluntary sectors, and local government through health and wellbeing boards.

The planning guidance did have something important to say about funding:

For the first time, the local NHS planning process will have significant central money attached. The STPs will become the single application and approval process for being accepted onto programmes with transformational funding for 2017/18 onwards.

There would also be additional dedicated funding streams for transformational change, covering initiatives such as the spread of new care models and to drive clinical priorities.

The earliest additional funding would go to the most 'compelling and credible' STPs. The selection criteria would include

- The quality of plans, particularly the scale of ambition and track record of progress already made. The best plans will have a clear and powerful vision [and] create coherence across different elements.
- The reach and quality of the local process, including community, voluntary sector and local authority engagement;

- The strength and unity of local system leadership and partnerships, with clear governance structures to deliver them; and
- How confident we are that a clear sequence of implementation actions will follow as intended.

Such criteria are clearly very difficult to apply. How does one judge the clarity and power of a vision, or the reach and quality of a local process? Or the clarity of governance structures when money is tight. Or what will give NHS England confidence that a clear sequence of implement actions will follow on from decisions?

One would think that the first task for NHS Kernow should have been to address these questions, to explore what those in charge at NHS England were looking for and what would please them. Instead, and at the behest of NHS England, they paid a substantial fee – likely to have been over £1 million – to management consultants to press ahead with producing an STP for them.^[3]

Unfortunately, having commissioned management consultants, it seems that NHS Kernow did not keep an eye on their work. The consultants did what consultants do: they wrote their own brief and instead of preparing a plan they produced a 'target operating model' and a 'business case'. Not producing what NHS England asked for was hardly likely to mark them out as a deserving candidate for funding.

The 'Target Operating Model' was presented in *Outline Business Case*^[4] as a kind of culminating achievement. Its stated purpose was 'to provide a high-level understanding of how we will work together as a single, co-ordinated system in order to deliver services on a whole population basis ...'. The diagram and language are not those of *Five Year Forward View* or even the 'planning guidance': they come straight from the world of management consultancy, as a web search for 'target operating model' instantly reveals. Although their involvement was nowhere acknowledged in the document, it is apparent that *Outline Business Case* was at least in part ghost-written by management consultants. The firm Price Waterhouse Coopers (PwC) was involved at this stage.^[5]

In February 2017 NHS Kernow's Interim Chief Officer informed its Governing Body:

We have engaged GE Healthcare Finnamore as a Strategic Partner for Shaping our Future. [This title had been adopted as the 'brand name' for the STP programme.] The first task is to establish the robust evidence, modelling and activity analysis required for the proposals for the pre consultation business case and how developed this currently was.(sic)^{[6][7]}

Not only does this statement illustrate how easy it is to slip into using management-consultant-speak: observe how smoothly Finnamore has been elevated to the position of 'strategic partner'. This would accord them a status well above that of a hired contractor.

The first fruits of this contract, which is said to have cost up to £1.2 million,^[8] emerged in March 2017, in the form of a report, entitled *Final Report – Part 1 Support*, which was later obtained through a Freedom of Information enquiry and published by Cornwall Reports.^[9] Much of that report is in management-consultant-speak – 'Testing the TOM for Architectural Coherence', 'Granularity of OBC content and supporting documentation is not at the level of maturity required to achieve a PCBC in the timescales proposed' – but Fynamore said they had 'assessed readiness for the development of a pre consultation business case (PCBC) to take forward the STP priorities in Cornwall'.

In a detailed analysis of the organization's readiness, the consultants found that 'two thirds of the elements required for a PCBC have not yet commenced or need additional work. Workstream leads recognise that there are considerable gaps in the data and information needed for a PCBC'. Much additional work would be needed over the coming months to deliver a robust and comprehensive case.

There is no indication that NHS Kernow carried out any kind of risk analysis before hiring management consultants and then putting unquestioning trust in them. Although in clinical commissioning groups (and NHS trusts and local authorities) it is normal for the risk attached to a spending proposal to be assessed (conventionally using a coding of red, amber and green to denote high, medium and low levels of risk), that evidently was not done in this case. But risks were certainly entailed.

An investigation by the King's Fund found the use of management consultants was routine:

Some leaders felt that STPs had created an industry for management consultants – and questions were raised about why money is being invested in advice from private companies instead of in frontline services.

In one locality, STP leaders even felt under pressure from NHS England's regional team to increase the amount of money they were spending on management consultancy support. And in one STP area that had not directly commissioned external support to develop its plan, NHS England's regional team had commissioned a management consulting firm to carry out analytical work on behalf of its STP areas.^[10]

In the NHS, public spending on management consultants more than doubled from £313 million in 2010 to £640 million in 2014. A study carried out in English NHS hospital trusts by Kirkpatrick *et al* found that instead of improving efficiency, the employment of management consultants was more likely to result in inefficiency. They concluded that while efficiency gains are possible through using management consultancy, this is the exception rather than the norm:

Overall, the NHS is *not* obtaining value for money from management consultants and so, in future, managers and policy makers should be more careful about when and how they commission these services.[\[11\]](#)[\[12\]](#)

What can we learn from this collection of observations? Here are some suggestions. They could be used to carry out a risk analysis before hiring management consultants.

1. Are the consultants clear about what they can offer you? Did they discuss with you what you needed and what they could offer, or did they present something off the peg? At the outset, be as clear as possible what you want from them. You will almost certainly want proposals for a course of action, complete with documentation, but do you want a range of alternatives from which to choose? Do you want to understand better how systems are working at the moment? Do you want proposals that are costed, and/or will save money? In the future auditors may ask what the savings and/or benefits have been from the expenditure on consultants: it will be prudent to be prepared in advance for such questions.
2. Bear in mind that management consultants will have their own agenda, which will not be the same as yours. Look out for signs that they will want a distinctive product to help them market their services to prospective future clients: this will not, of course, be one of your concerns.
3. Do the consultants' proposals involve working *with* you? What do they want from you in terms of access, etc? What proposals are they making for reporting to you and consulting with you? Those activities should be frequent, especially in the early stages of the project, when you will need to be getting to know them. You do not want to be taken by surprise by proposals that emerge late in the project when it is too late to alter them or do further work. You would be well advised to create a team of people in your own organization who can discuss the project's methodology on equal terms with the consultants' team.
4. Scrutinize very carefully any proposals to hold 'co-creation', 'co-production' or consultation events, possibly called 'workshops'. The people invited to take part may not be representative or legitimately able to speak for others, but they may be dignified with the title of 'stakeholders'. A common procedure is to seat 8-10 participants around a table, give them a topic to discuss, and ask them to jot down what they think are salient points: the jottings are then collected together. This process, which might be described as 'Planning by Post-It Note', allows those holding the event to cherry-pick comments that support whatever proposals they want to put forward.
5. Scrutinize carefully too any proposals to conduct surveys. There are good practice guidelines to which they should conform.[\[13\]](#)

6. Consultants will couch reports in their own language, management-consultant-speak. If that language is foreign to you, this will put you at a severe disadvantage in dealing with them. In particular, it will make it difficult for you to challenge their assumptions and their methods. Insist that reports for your eyes and/or publication are written in plain English. Do not be afraid to challenge any statement the meaning or implications of which you don't understand.
7. They may not have a good command of your language, or indeed the language of your funding body. There is a golden rule for winning money from a funder: In your application speak to the fund-giver in their own language. The funder should not have to decipher or puzzle over your application. NHS Kernow's consultants failed to register that when in 2014 *Five Year Forward View* highlighted new models of care that NHSE wanted to promote or permit, this was a clue that their proposals should do the same. Instead their *Outline Business Case* merely said: 'We will have created and embedded a new model of care.' It made no reference whatever to any of the models outlined by NHS England. You may do better without help from such consultants.
8. They may be unfamiliar with your 'world'. Be very wary if they don't ask you any questions about who the significant people and organizations are with whom you have interactions, especially those whom you depend on or who depend on you. There will be a risk that when, for example, invitations to events or consultations are sent out, people who ought to receive them do not.
9. Likewise, their political sensitivities may not be well developed. If they are unable to sense 'which way the wind is blowing' or to gauge whose support will be essential for a proposal to go ahead, they will be a hindrance to you, not an asset. You may have a much better idea of how to write a successful application for funding to NHS England than a management consultant has.
10. There is always a risk of becoming their 'captive', dependent on their advice. If you become 'brainwashed', so you get to think in their terms, to use their language (even if subtleties and nuances escape you), and to see issues in the often technocratic way that they do; and especially where there will be difficulties and penalties attached to going against their advice, your freedom of action will be diminished. One sign of this happening is that you promote management consultants to the status of 'partners' rather than what they actually are: contractors, hired help. Another is that you begin to doubt your own judgement. Yet another is that you start to use statements beginning 'Our consultants tell us ...' to justify proposals. Always step back and question what you are doing when you find yourself justifying proposals by endorsements rather than by reasoning.

11. You should be aware that these aspects of management consultant behaviour and language add up to a set of potentially powerful skills. While skills like those employed in fields such as Neuro-Linguistic Programming may be used to provide therapeutic benefits, they are also the skills of the effective salesperson and may be used on you in manipulative ways that are not necessarily consistent with the public interest or that of your own organization.
12. Another risk in employing management consultants is that you will be assigned a relatively junior member of the firm, designated as working under the supervision of a senior, experienced member. You should be clear how much time and attention you can expect from the senior person. A junior eager to prove himself or herself may be reluctant to call in people above them if they think they need to show that they can do the job unsupervised.
13. Senior consultants who have had experience of working with other organizations and networks will bring with them lessons that they have learned from those experiences. Indeed, they may be able to identify in your context obstacles to effective working, and ways of getting round them, that you are too close or too lacking in wider experience to see. The value to you of this 'carrier pigeon' function could be considerable, but you may need to make repeated firm requests for the services of a senior person to benefit from it.
14. Finally, as the King's Fund observed, management consultants do not come cheap. When negotiating a contract you need to ask the question: 'Will we and the public be getting value for money?' That will require you to be clear at the outset what the work will cost, to be on the lookout at every stage for additional expenses, and to ask the value-for-money question about every tranche of the programme. Bear in mind that your expenditure will be audited.

Notes and references All websites last accessed on 4 December 2021.

- [1] I apologise to the inhabitants of the Isles of Scilly, but in the interest of brevity elsewhere in this report I refer to the *Sustainability and Transformation Plan* as *Cornwall's STP*. Officially it is indeed the STP for Cornwall and the Isles of Scilly.
- [2] NHS England *et al*, *Delivering the Forward View: NHS planning guidance: 2016/17 – 2020/21*, December 2015
<https://www.england.nhs.uk/wp-content/uploads/2015/12/planning-guid-16-17-20-21.pdf>

- [3] For a fuller account of Cornwall's STP experience, see Peter Levin, *Six bungalows and no funeral: The short life, unmourned death and high cost of Cornwall's Sustainability and Transformation Plan for the NHS (FULL REPORT)*, 10 April 2018
<https://spr4cornwall.net/six-bungalows-and-no-funeral-the-short-life-unmourned-death-and-high-cost-of-cornwalls-sustainability-and-transformation-plan-for-the-nhs-full-report/>
- [4] *Cornwall and the Isles of Scilly: Sustainability and Transformation Plan: Draft Outline Business Case*, October 2016. Formerly available at
<https://www.cornwall.gov.uk/media/22984634/cornwall-ios-stp-draft-outline-business-case.pdf>
 Now at <https://spr4cornwall.net/wp-content/uploads/Cornwall-LoS-STP-Outline-Business-CaseOct-2016-1.pdf>
- [5] Cornwall Reports, 15 February 2017: *Cornwall's STP brings in the Chicago gang to advise on £264 million health and social care cuts*
<https://cornwallreports.co.uk/cornwalls-stp-brings-in-the-chicago-gang-to-advise-on-264-million-health-and-social-care-cuts/>
- [6] Minutes of KCCG Governing Body meeting 7 February 2017. Formerly available at
<https://doclibrary-rcht.cornwall.nhs.uk/DocumentsLibrary/KernowCCG/OurOrganisation/GoverningBodyMeetings/1617/201703/GB201617143GBMinutesAndActionGrid.pdf>
 Now at <https://spr4cornwall.net/wp-content/uploads/GB201617143-GB-Minutes-and-ActionGrid.pdf>
- [7] GE Healthcare Finnamore started life as the British consultancy Finnamore: it was taken over by the American global conglomerate General Electric in 2014.
- [8] As [4].
- [9] GE Healthcare Finnamore, *Final Report – Part 1 Support*, 23 March 2017
<https://cornwallreports.co.uk/wp-content/uploads/2017/08/GE-FIRST-REPORT-ilovepdfcompressed-2.pdf>
- [10] Hugh Alderwick, Phoebe Dunn, Helen McKenna, Nicola Walsh, Chris Ham, *Sustainability and transformation plans in the NHS: How are they being developed in practice?* November 2016
<https://www.kingsfund.org.uk/publications/stps-in-the-nhs>
- [11] Ian Kirkpatrick et al, *Using management consultancy brings inefficiency to the NHS*, March 2018
<http://blogs.lse.ac.uk/politicsandpolicy/using-management-consultancy-brings-inefficiency-to-the-nhs/>
- [12] I Kirkpatrick et al, *The impact of management consultants on public service efficiency, Policy & Politics*, April 2018
<http://www.ingentaconnect.com/content/tpp/pap/pre-prints/contentpppolicypold1700072r2;jsessionid=25vwj4q8vscjk.x-ic-live-01>
- [13] Peter Levin, *Good-practice guidelines for health and social care surveys*, 10 August 2020
<https://spr4cornwall.net/wp-content/uploads/Good-practice-guidelines-for-health-and-social-care-surveys.pdf>