

To:  
PCT, Acute & Foundation Chief Executives  
PCT, Acute & Foundation Medical Directors  
PCT, Acute & Foundation Finance Directors

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Copies:  
PEC Chairs  
Pathology Modernisation Board Members  
SHA Associate Medical Directors  
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4<sup>th</sup> January 2010

Dear Colleagues

### **Baseline Assessment of Pathology Services in London**

You will all be aware of the Carter Report, which made specific recommendations regarding the quality, safety, and potential mechanisms for change within pathology services.

Although substantial progress has been made in some areas, the pace of implementation has in general been slow. The expectation was that there would be potential savings of between 250-£500 million nationally, achieved through re-configuration and consolidation.

The evidence may only be partially supportive, but this has been identified by the Treasury as an efficiency saving within the NHS budget. The pathology programme is now one of the first wave national workstreams forming part of the Quality and Productivity Challenge to the NHS.

Our challenge therefore is that London must achieve approximately £50 million in savings as its contribution towards the total. This efficiency assumption will be translated into a reduction in tariff applying downward pressure on the income of acute Trusts. In the event that savings cannot be realised within pathology services, the impact will be felt elsewhere in the system.

Further work is urgently required, and the first step is gaining an understanding of the baseline from which savings can be made. NHS London has commissioned a piece of work which aims to do this, and I am seeking your co-operation in taking this forward. There are implications for all areas of clinical practice; we also need to consider pathology services in the context of delivering the Healthcare for London strategy and the changes that are likely to ensue.

The Department of Health has asked that we complete this work as soon as possible; our aim is to submit a report on baseline activity by the end of January. In the first instance I would be grateful if you could identify an individual within the Trust who can act as a point of contact for the project team from NHS London, and ask the nominee to make initial contact with my office through Ben Scales, Business Manager ([ben.scales@london.nhs.uk](mailto:ben.scales@london.nhs.uk), 0207 932 2646) by **Monday 11<sup>th</sup> January**.

There will need to be close involvement of Clinical Directors of Pathology and engagement of Finance Directorates. Given the importance and volume of work in primary care, PCT contacts are vital.

**London Strategic Health Authority**

*Chair: Sir Richard Sykes*

*Chief Executive: Ruth Carnall CBE*

A template has been designed which will facilitate the necessary collation of information within each organisation. This will be forwarded to key individuals, and weekly contact will be made by the project team to support and offer advice.

I hope this is not too much of an imposition on services that are currently hard-pressed in dealing with a range of issues, and that it can be completed swiftly. It is an important project given the scale of the savings required, and should provide Trusts and commissioners with valuable insight into what progress has already been made within some networks and also innovative approaches that are being adopted in conjunction with the private sector in some parts of London.

Thank you for your support.

Regards,

A handwritten signature in black ink, appearing to read 'AT Mitchell', with a horizontal flourish underneath.

**Dr AT Mitchell**  
Medical Director  
NHS London