L.E.K. Consulting is a global consulting firm; healthcare is our largest practice area, accounting for c.50% of revenues

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135 Partners worldwide, providing local market knowledge
1,400 dedicated professionals, with extensive industry and consulting experience
Significant experience in homecare market dynamics and growth strategies
There are c.1m adults with learning disabilities in England and Wales in 2018, out of which c.160k receive long term care.

Source: Mencap, NHS – Adult social care and community care statistics (England), Local Authority Registers – Wales, L.E.K. research and analysis
Community placements including supporting living have gained share over residential care options but only gradually

- The share of community settings has increased by 2.5 PPT since 2015 highlighting that commissioners consider those where possible
  - Outflows from residential settings was mainly due to replacements of patients into supported living community placements

- The slow decline in residential indicates that it continues to be a core setting for significant number of service users and will remain a key feature of the service landscape

- In particular for those service users that are well settled and for whom a transition to other settings is considered inappropriate

Source: NHS, Statewales, L.E.K. research, interviews and analysis
There are wide disparities in the penetration rate of community placement between Local Authorities, with some having significant potential for catch up.

Penetration rate of community placement in LD adult services – England and Wales
(Not exhaustive)
(2018)

Source: NHS, Statewales, L.E.K. research and analysis
Discussions with commissioners are highlighting an interest in a greater level of integration of children and adult services, however, there are challenges.

- The number of young adults ageing into adult services is set to increase in the coming years.
- Many of these young adults will be receiving care services and care continuity is considered very valuable by commissioners.
- Retain care packages are of significant value for the existing providers.
- However, a number of challenges need to be addressed in order to enable and/or deliver benefits from an increased level of integration of children and adult services, e.g.,
  - provision of children and adult services are often geographically not joined up
  - funding is drawn from different sources and commissioning of services are not joined up
  - individual care needs may evolve requiring a different team of carers and a different care regime.

Successful operators are able to offer pathways across settings and cluster capabilities in order to address the needs of the most complex service users

<table>
<thead>
<tr>
<th>Yesterday</th>
<th>Today</th>
<th>Tomorrow</th>
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</thead>
<tbody>
<tr>
<td>● Residential care settings considered as most appropriate setting for the majority of LD/ASC service users</td>
<td>● All care settings full established and considered by stakeholders</td>
<td>● All care settings available but primarily as part of integrated service offering</td>
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<tr>
<td>● Supporting living concept gaining traction</td>
<td>● Most leading providers have developed services across multiple settings – residential, supported living, and outreach</td>
<td>● Leading providers will be able to seamlessly tailor service offerings across settings and care needs</td>
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<td>● Providers primarily focused on a single care setting, e.g.,</td>
<td>● Service offering increasing blended and flexible to create care pathways</td>
<td>● Some providers will offer integration of children and adult LD/ASC services and establishing more holistic pathways and continuity of care provision (where appropriate)</td>
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<tr>
<td>- providers of residential care settings, e.g., Voyage</td>
<td>● Hub-and-spoke model successfully deployed in LD / ASC, e.g., The Regard, enabling de-escalation and escalation of care as required, and addressing a wide service user pool</td>
<td>● Leading providers will have increasingly digitised their business models and deploy technology in order to create operational efficiencies and demonstrate outcomes</td>
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<td>- NHS operated LD facilities</td>
<td>● Regional clustering of services and capabilities by the private sector enabling them to handle increasing complexity and create superior outcomes</td>
<td>● Providers have formed strategic partnerships with commissioners</td>
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<td>- Supported living, e.g., Lifeways</td>
<td>● Consolidation ongoing but still a long tail of small local providers, with typically single offering</td>
<td>● Provider landscape increasingly consolidated, in particular at the top end of the market</td>
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<tr>
<td>- charities</td>
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<td>● As a result service offering fairly separated</td>
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<td>● Very fragmented provider landscape due to the local nature of the services</td>
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Digitalisation should play a key role in modern provision and will help to address funding pressure

<table>
<thead>
<tr>
<th>Optimise operation</th>
<th>Grow business</th>
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</thead>
<tbody>
<tr>
<td>Suboptimal service quality and safety</td>
<td>Need for value creation</td>
</tr>
<tr>
<td>Adverse drug events</td>
<td>Increasing # of dependent people</td>
</tr>
<tr>
<td>High rate of absenteeism</td>
<td>Increasing competition</td>
</tr>
<tr>
<td>Recruitment difficulties</td>
<td>Costs of domiciliation &amp; travel</td>
</tr>
</tbody>
</table>

- Electronic service user records and medical record, e.g., medication management
- Improve outcomes
- Tablets for carers to provide personalised services and capture information
- Accessibility of other social and/or social services
- 24/7 tele-assistance platform
- Remote monitoring delivery of certain service aspects
- Platforms for family engagement
- Key communication platform with community and other care providers

Source: Xerfi, DRESS, L.E.K. research and analysis
Thank you very much indeed – Questions?