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Meeting	Health and Well-Being Board
Date	21 <sup>st</sup> November 2013
<b>Subject</b>	<b>Barnet CCG update: Potential Acquisition of Barnet and Chase Farm Hospitals Trust by Royal Free Hospital NHS Foundation Trust</b>
Report of	Barnet CCG Chief Officer
Summary of item and decision being sought	This paper updates the Health and Well-Being Board (HWBB) on the potential acquisition of Barnet and Chase Farm NHS Hospital Trust (B&CF) by the Royal Free Hospital NHS Foundation Trust (RF)
Officer Contributors	John Morton, Barnet CCG Chief Officer
Reason for Report	To update the Board on the potential acquisition of Barnet and Chase Farm Hospital Trust (B&CF) by the Royal Free Hospital NHS Foundation Trust (RF).
Partnership flexibility being exercised	N/A
Wards Affected	All
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## **1. RECOMMENDATION**

- 1.1 That the Health and Well-Being Board (HWBB) notes the proposed acquisition of Barnet and Chase Farm Hospital Trust (B&CF) by the Royal Free Hospital NHS Foundation Trust (RF).**

## **2. RELEVANT PREVIOUS DISCUSSIONS AND WHERE HELD**

- 2.1 The acquisition process has a full governance structure which includes the Royal Free acquisitions board, a Trust Development Authority (TDA) acquisitions board and a commissioner steering group. These have been meeting monthly for over 12 months, and the overview and scrutiny committees have been kept informed of progress.

## **3. LINK AND IMPLICATIONS FOR STRATEGIC PARTNERSHIP-WIDE GOALS (SUSTAINABLE COMMUNITY STRATEGY; HEALTH AND WELL-BEING STRATEGY; COMMISSIONING STRATEGIES)**

- 3.1 The CCG's commissioning strategic plan and the CCG's recovery plan set the framework for, and complement the acquisition process.

## **4. NEEDS ASSESSMENT AND EQUALITIES IMPLICATIONS**

- 4.1 The Joint Strategic Needs Assessment will inform the CCGs commissioning decisions. Proposals will be assessed for their impact on equality and diversity in line with the CCGs Equality Delivery System.

## **5. RISK MANAGEMENT**

- 5.1 The CCGs management team will review the development and contents of the acquisition at regular intervals, identifying potential risks and mitigations. The CCG has recently reviewed its approach to programme management, and the concepts will be applied to the development of commissioning plans.
- 5.2 Key risks include capacity within the CCG and the availability of financial resources to commission services.
- 5.3 All other components of the governance structure include risk management within their agendas.

## **6. LEGAL POWERS AND IMPLICATIONS**

- 6.1 The decision making process on establishing a new NHS Foundation Trust is a strategic process with Monitor advising the Secretary of State for Health.

## **7. USE OF RESOURCES IMPLICATIONS- FINANCE, STAFFING, IT ETC**

- 7.1 The CCG's commissioning strategic plan and the CCG's recovery plan see over the CCGs resourcing plans. These will be supported by the proposed acquisition.

## **8. COMMUNICATION AND ENGAGEMENT WITH USERS AND STAKEHOLDERS**

- 8.1 The CCGs will work with the two trusts to agree a programme of communication and engagement over the next couple of months. Staff briefings within the two trusts are used to update staff on progress.

8.2 The public engagement events organised by the CCG on 1st October 2013 included the opportunity to promote the benefits of the acquisition within the context of the challenges outlined in the *Call to Action*, and to contribute to the CCGs commissioning intentions.

## **9. ENGAGEMENT AND INVOLVEMENT WITH PROVIDERS**

9.1 The Governance structures established to support the merger ensure the full engagement and involvement with providers, commissioners, NHS England and the TDA.

## **10. DETAILS**

### **10.1 About the proposal**

10.1.1 As part of the Government's healthcare reforms, all NHS trusts are required to become foundation trusts by April 2014.

10.1.2 In July 2012, following an independent financial review, the B&CF Trust board concluded that it could not become a foundation trust alone and it invited proposals from potential partners. The RF was chosen as its preferred partner.

10.1.3 Under the proposal, B&CF would become part of the RF. This larger foundation trust would manage the three main hospitals (Royal Free, Barnet and Chase Farm hospitals), as well as a number of outpatient services and specialist clinics at other hospitals.

10.1.4 The benefits identified as a consequence were:

- More co-ordinated and consistent care
- A centre of excellence
- The ability to address financial challenges

10.1.5 A fuller background report was given to the Health & Well-Being Board at its September meeting.

### **10.2 Progress to date**

- Clinical development: clinicians from both trusts have been meeting to review service planning and explore clinical efficiencies. The TDA is establishing its own forum to maintain oversight of clinical quality.
- Finance: there is emerging clarity about the costs associated with the acquisition, from work involving the trusts, NHS England and the TDA.
- Due diligence: the RF is undertaking its own due diligence work, covering clinical as well as financial matters. The TDA will also undertake similar work as part of the Gateway reviews (the assurance and approvals processes required).
- Operating model: detailed work is being undertaken by the RF to agree the proposed operating model, which will feed in to the financial and business plans required.
- Commissioner approval: each of the main commissioning bodies (CCGs and NHS England) will need to provide a letter of support to feed in to the Gateway process. A schedule of board meeting dates is being collated.

### **10.3 Next steps**

- TDA Gateway 3 is underway, with an expected completion date of late November 2013
- Commissioners will be expected to give their support and approve the Heads of Terms in November 2013
- The final assurance processes by the TDA and Monitor will take place from November 2013 through to March 2014
- The new organisation will become established by April 2014

## **11 BACKGROUND PAPERS**

### **11.1 None**