

Appendix A

Acquisition briefing: Barnet and Chase Farm Hospitals NHS Trust

Background

In July 2012 the board of Barnet and Chase Farm Hospitals NHS Trust (BCF) concluded that for financial reasons it could not achieve foundation trust status as a standalone organisation. In November 2012 the strategic health authority (NHS London) approved the recommendation of an outline business case submitted by BCF that invited the Royal Free London NHS Foundation Trust to 'proceed to develop an outline business case' for the acquisition.

The Royal Free worked closely with BCF's main commissioners, the regulators, and investigated the viability of this transaction. The following are significant aspects that were examined when considering the viability of the transaction.

1. In its role as vendor, on behalf of the secretary of state for health, the NHS Trust Development Authority (TDA) would need to be satisfied that this were the best organisational future for the services presently managed by BCF.
2. The solution would need to be affordable for commissioners and the wider NHS, by whom it would have to be supported.
3. The Royal Free should not be damaged by the acquisition, such that it a) could no longer provide high quality services or b) developed recurrent financial problems.
4. The competition regulator would have to be satisfied that such an acquisition did not substantially lessen competition, or, if it did, that this was outweighed by benefits for patients.
5. The TDA would need to be assured that the enlarged organisation had robust clinical and quality assurance processes in place.

In August 2013 the Co-operation and Competition Panel completed its assessment on the potential acquisition of BCF. The panel evaluated whether (1) the acquisition would cause a potential loss of patient choice and (2) there would be a cost to the taxpayer of any loss of competition identified. On 14 August 2013 the competition regulation clearance was granted.

On 14 February 2014 the commissioners' letter of support for the transaction was signed by the seven¹ clinical commissioning group (CCG) chief officers, and NHS England, and submitted to the TDA.

Progress to date

Monitor, in its role as the regulator of NHS foundation trusts, conducted a 14-week risk assessment process of the transaction that concluded at the end of May. A letter containing Monitor's assessment of the transaction was issued to the Royal Free on 3 June 2014 which enabled the Royal Free to proceed to the next stage.

Final stages of the approval process

- In May 2014 the legally binding transaction agreement was signed by seven clinical commissioning groups, as well as NHS England.
- On 3 June 2014 the Royal Free council of governors voted to support the Royal Free board decision to acquire Barnet and Chase Farm Hospitals NHS Trust.
- A decision by the secretary of state for health is expected to be announced before the end of June, in advance of 1 July when both organisations are integrated into one enlarged trust. The name for the Trust will remain the Royal Free London NHS Foundation Trust, all three hospital sites keeping their existing names: Barnet Hospital, Chase Farm Hospital and the Royal Free Hospital.

Next steps

- Ensure that there is a safe transfer of services on 1 July. There are processes in place to brief staff across the expanded organisation. Clear communications and signposting are also in place to make sure patients know where to go.
- Introduce 'the Royal Free way of doing things' across the enlarged trust; working towards a clinically led organisation with excellently managed services.
- Reach national waiting time standards for Barnet and Chase Farm patients, providing access to services within the maximum wait times.
- Improve the flow of emergency patients at Barnet Hospital.
- Work with local GPs to plan and implement new programmes of care that will improve patient outcomes and patient experience.

Royal Free
25 June 2014

¹ Barnet, Camden, Enfield, Haringey, Islington, East and North Hertfordshire, and Herts Valleys.