

MUNICIPAL YEAR 2013/2014

MEETING TITLE AND DATE
Health and Wellbeing Board
19 September 2013

Report of: Liz Wise (Enfield Clinical
Commissioning Group Chief Officer)
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Agenda - Part: 1	Item: 5
Subject: Proposed Acquisition of Barnet and Chase Farm Hospitals NHS Trust	
Wards: All	
Cabinet Member consulted:	

1. EXECUTIVE SUMMARY

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

In July 2012, following an independent financial review, the Barnet and Chase Farm Hospitals NHS Trust board concluded that it could not become a foundation trust alone and it invited competitive proposals from potential partners. The Royal Free was chosen as its preferred partner.

Under the proposal, Barnet and Chase Farm hospitals would become part of the Royal Free London NHS Foundation Trust.

Early feedback suggests that a larger trust could provide:

- co-ordinated and consistent care
- a centre of excellence
- a solution for the future financial challenges faced by the NHS.

2. RECOMMENDATIONS

The Health and Wellbeing Board should note this report

3. BACKGROUND

The NHS is faced with the major challenges of using resources more efficiently and meeting the needs of an ageing population. In order to meet these challenges, we need to focus on preventing ill-health and providing more care closer to home so people do not have to visit hospital so often.

A single organisation would be better placed to adapt to this change and take advantage of the opportunities to provide better quality, modern day hospital care. Clinicians from both trusts are working with local commissioners to identify

ways that services could be reshaped to better meet patients' needs and deliver a more financially sustainable model of care.

Alongside this, the Barnet Enfield and Haringey (BEH) Clinical Strategy will see obstetrics and emergency care concentrated at Barnet Hospital and North Middlesex Hospital; with Chase Farm Hospital developed as a specialist centre for elective care, outpatient, urgent care and diagnostics centre providing services in an improved estate.

Other than these planned changes, there are no major changes to the configuration of hospital services proposed as part of the acquisition. If any changes are identified in the future then we would undertake engagement and consultation in line with statutory requirements.

The NHS Trust Development Authority (TDA) is responsible for the foundation trust assurance process, which involves four sequential Gateways. Each Gateway requires NHS TDA approval and endorsement from the CCGs and the NHS Commissioning Board.

Business plans and financial models are currently being developed as part of the Gateway 3 documentation. The Royal Free board expects to submit its Gateway 3 documentation in autumn 2013.

If the acquisition goes ahead a new foundation trust is expected to be created in spring 2014.

4. ALTERNATIVE OPTIONS CONSIDERED

In July 2012, Barnet and Chase Farm Hospitals NHS Trust board concluded that it could not become a foundation trust alone and it invited competitive proposals from potential partners. The Royal Free was chosen as its preferred partner.

5. REASONS FOR RECOMMENDATIONS

5.1 All NHS trusts are required to become foundation trusts.

5.2 Clinicians and managers from both trusts have been looking together at how services could be provided more efficiently and effectively as one organisation. They have not yet reached their conclusions, but the potential for a variety of benefits is emerging.

Early feedback suggests that a larger trust could provide co-ordinated and consistent care, develop as a centre of excellence and address the future financial challenges faced by the NHS.

5.3 Co-ordinated and consistent care

A larger pool of clinicians would be able to deliver better quality care and make sure patients are always treated in the right place at the right time by the right people. The new trust could also deliver a better experience

for patients as there would be less administrative 'red tape' between services.

5.4 Creating a centre of excellence

A much larger patient population would have greater ability to attract research funding. Wider training and career opportunities and the chance to work for a leading provider of healthcare, research and education would also help attract and retain the best staff.

5.5 Addressing financial challenges

Significant efficiencies could be made quickly such as improving or reducing the duplication of 'back office' functions. This would put money where it is needed – in delivering high quality frontline services. A larger trust would be more resilient to the changing NHS landscape of moving services closer to people's homes.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

Both trusts believe that additional funding would be needed in the short term to ensure that any new single organisation starts on a strong financial footing.

The 2013/14 budget for Barnet and Chase Farm Hospitals NHS Trust shows a planned deficit of £16.4m. The trust will also receive significantly less income in future years as the CCG implements plans to provide more care outside hospitals and work with local authorities to integrate health and care services.

The Royal Free will seek transitional funding from NHS England to help with the costs of the acquisition and to cover the shortfall in running costs until such a time as the new organisation can deliver a financially balanced position.

There are no financial implications for the Council.

6.2 Legal Implications

There are no legal implications for the Council.

7. KEY RISKS

8. IMPACT ON PRIORITIES OF THE HEALTH AND WELLBEING STRATEGY

- 8.1** Healthy Start – Improving Child Health
- 8.2** Narrowing the Gap – reducing health inequalities
- 8.3** Healthy Lifestyles/healthy choices
- 8.4** Healthy Places
- 8.5** Strengthening partnerships and capacity

9. EQUALITIES IMPACT IMPLICATIONS

Not undertaken.

The Cooperation and Competition Panel (CCP) has concluded that the merger was unlikely to give rise to significant costs to patients or taxpayers as a result of a loss of choice or competition.

Monitor will also undertake an external review to ensure the acquisition is in the best interests of patients and taxpayers.

Background Papers