

<b>Meeting Title</b>	Mid and South Essex Acute Trusts Joint Working Board (meeting in public)		
<b>Meeting Date</b>	7 <sup>th</sup> February 2018	<b>Agenda No</b>	<b>11</b>
<b>Report Title</b>	Future Organisational Form – Progress Update		
<b>Lead Executive Director</b>	Clare Panniker, Chief Executive Tom Abell, Chief Transformation Officer / Deputy Chief Executive		
<b>Report Authors</b>	Danny Hariram, Group Director of People Strategy and Organisational Development Andrew Stride, Corporate Secretary (BTUH)		
<b>Action Required</b>	Decision <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Monitoring <input checked="" type="checkbox"/>		
<b>Executive Summary</b>	<p>Members will be aware that the extraordinary meetings in common of the three Trust Boards on 10<sup>th</sup> January 2018 approved the direction of travel towards a proposed merger of the three organisations, with a target date of 1<sup>st</sup> April 2019. The Boards also approved the programme governance and leadership structure for the future organisational form project.</p> <p>This paper summarises key aspects of the progress made since 10<sup>th</sup> January 2018 and the immediate next steps.</p>		
<b>Timescale for Benefits to be Realised</b>	A detailed timeline and project plan leading up to the target date of 1 <sup>st</sup> April 2019 has been developed. The timeline forms Appendix 1 and is under continual review by the Programme Board on behalf of the JWB.		
<b>Assessment of Implications</b>			
<b>Financial</b>	<p>Does this proposal have <u>revenue</u> (recurrent or non-recurrent) implications for the Trusts? <b>Yes</b></p> <p>Does this proposal have <u>capital</u> (recurrent or non-recurrent) implications for the Trusts? <b>Yes</b></p> <p>If yes, can these implications be <u>fully</u> covered by existing budgets? <b>No</b></p> <p>This financial assessment has been discussed and endorsed by the Chief Financial Officer on 2<sup>nd</sup> February 2018 (as part of the Programme Board)</p>		
<b>Risk</b>	Regular monitoring of progress of the future organisational form project mitigates the risk of slippage of the timescale and of strategic drift		
<b>Equality and Diversity</b>	This proposal has been subject to an equality analysis and there are no implications for groups with protected characteristics OR		

<b>Freedom of Information</b>	<i>No exemptions apply (i.e., information is in the public domain)</i>
<b>Other Implications Identified (including patient safety and quality, legal and regulatory compliance)</b>	The project leaders are liaising regularly with Regulators as this project progresses. Key developments in this dialogue will be reported to JWB and to the Programme Board as part of this standing item.
<b>Recommendation</b>	The Success Regime Committees which comprise the Joint Working Board are invited to:  Note the progress made in the first three weeks of the future organisational form project
<b>Appendices</b>	As listed

## Future Organisational Form – Progress Update

### 1.0 Background

Members will be aware that the extraordinary meetings in common of the three Trust Boards on 10<sup>th</sup> January 2018 approved the direction of travel towards a proposed merger of the three organisations, with a target date of 1<sup>st</sup> April 2019. The Boards also approved the programme governance and leadership structure for the future organisational form project.

This paper summarises key aspects of the progress made since 10<sup>th</sup> January 2018 and the immediate next steps.

### 2.0 Programme Governance

The Delivery Group has met on two occasions: 11<sup>th</sup> and 25<sup>th</sup> January 2018. These meetings have focussed upon finalising and embedding the governance and project management aspects of the Group's work. Highlights from these meetings and follow-up discussions with our advisers and internal colleagues are:

- Workstream leadership has been finalised for the development of the different sections of the strategic case;
- Terms of reference for the Delivery Group have been finalised and agreed;
- Review of first-draft project plans from the Governance, Clinical Strategy and Informatics workstreams have been presented;
- Review of workstream risk logs have been developed and mitigations are being provided;
- Clarity provided to the Delivery Group, the Programme Board and the Trust Chairs on the statutory role of the Councils of Governors of BTUH and SUHT in approving the proposed merger;
- Our legal advisers have provided clarity that the most likely organisational form for the new organisation will be an NHS Foundation Trust, created from a three-way merger of the existing trusts. This approach is explicitly supported by the Programme Board.
- Progress update has been provided to NHSI and a further meeting is being convened to discuss the link between capital business case and proposed merger transaction;
- NHSI have agreed to provide the group with some additional Director level resource/s to support our work on this transaction
- Work has commenced on the resources and financial requirements to support the next phases of work;
- Clarity obtained as to the governance steps which can be taken at different stages in the next 12-15 months without compromising the support of regulators;
- Discussions held with Colchester and Ipswich to capture lessons learned from their imminent merger and their journey to this point.

In addition, each of the work stream leads have met with KPMG to discuss the plans for their work stream and to address any immediate challenges and queries.

The first meeting of the Programme Board is scheduled for 2<sup>nd</sup> February 2018. The Programme Board will meet on a monthly basis, timed in order to provide up-to-date assurance to the Joint Working Board (JWB).

### 3.0 Risk Analysis

A formal programme risk register is being compiled. The risks and issues identified to date within the workstreams correlate with those within the preliminary risk analysis included in the paper to the extraordinary board meetings on 10<sup>th</sup> January as below:

- 1) The future organisational form project may provide a distraction from business-as-usual at one or more of the trusts or within the group infrastructure, leading to a deteriorating in operational performance or the delivery of key local performance targets;
- 2) The project may provide a distraction from the delivery of the clinical service transformation and from the consultation activities;
- 3) The resource implications may create an unacceptable financial pressure on one or more of the trusts;
- 4) The move to a new organisational form may generate adverse publicity as an inappropriate use of public funds if the benefits case is not properly articulated, damaging the reputation of the current trusts and the new organisation;
- 5) Whilst the target date for the proposed new organisation coming into being is 1<sup>st</sup> April 2019, the regulatory approval process creates a significant risk that this date may not be achievable.

A recurrent theme across the workstreams relates to Risk 1, the resources required to deliver the future organisational form project in a challenging timescale of 1<sup>st</sup> April 2019 without compromising operational delivery.

Risk 5 also remains a significant concern at this stage, although it is expected to be partly mitigated as the Strategic Case is developed and key early milestones are realised.

Refinement of the project risk management and mitigation will be a priority for the Delivery Group and Programme Board in February 2018.

### 4.0 Immediate Next Steps

#### *4.1 Strategic Case*

Work has commenced to draft the Strategic Case. KPMG will make available a template for the document and examples of content from other successful NHS mergers across the country. The Delivery Group is confident that the JWB will be in a position to review the first draft Strategic case in late March 2018. As members are aware, the plan is for the final draft to be presented to all three Trust Boards for approval at the beginning of May 2018, and subject to their approval will be submitted to NHSI for their approval.

Please see appendix 1 that set out the high level timescales for the delivery of the strategic case. The Programme Board has agreed that it would be sensible to commence work on the business case and benefits case, which are quite detailed and onerous pieces of work and for this to be undertaken in parallel to the development of the strategic case. This provides the project with some contingency time, if required.

#### *4.2 Finalisation of work stream plans*

The work stream leads are finalising their plans for final sign off for from the Delivery Group. As this is taking place, all of the work streams are being populated onto an overarching project plan which will be risk-assessed and appropriate mitigations put in place.

#### *4.3 Communications and Engagement*

An email to all staff across the three trusts was issued by the Chief Executive immediately following the Boards' decision on 10<sup>th</sup> January 2018. There have also been face-to-face staff briefings on each site.

An extraordinary meeting of the Southend Council of Governors took place on 17<sup>th</sup> January 2018 to brief them on the Boards' decision and the next steps and to address any immediate concerns or questions. A similar session took place for the Basildon Governors on 31<sup>st</sup> January 2018.

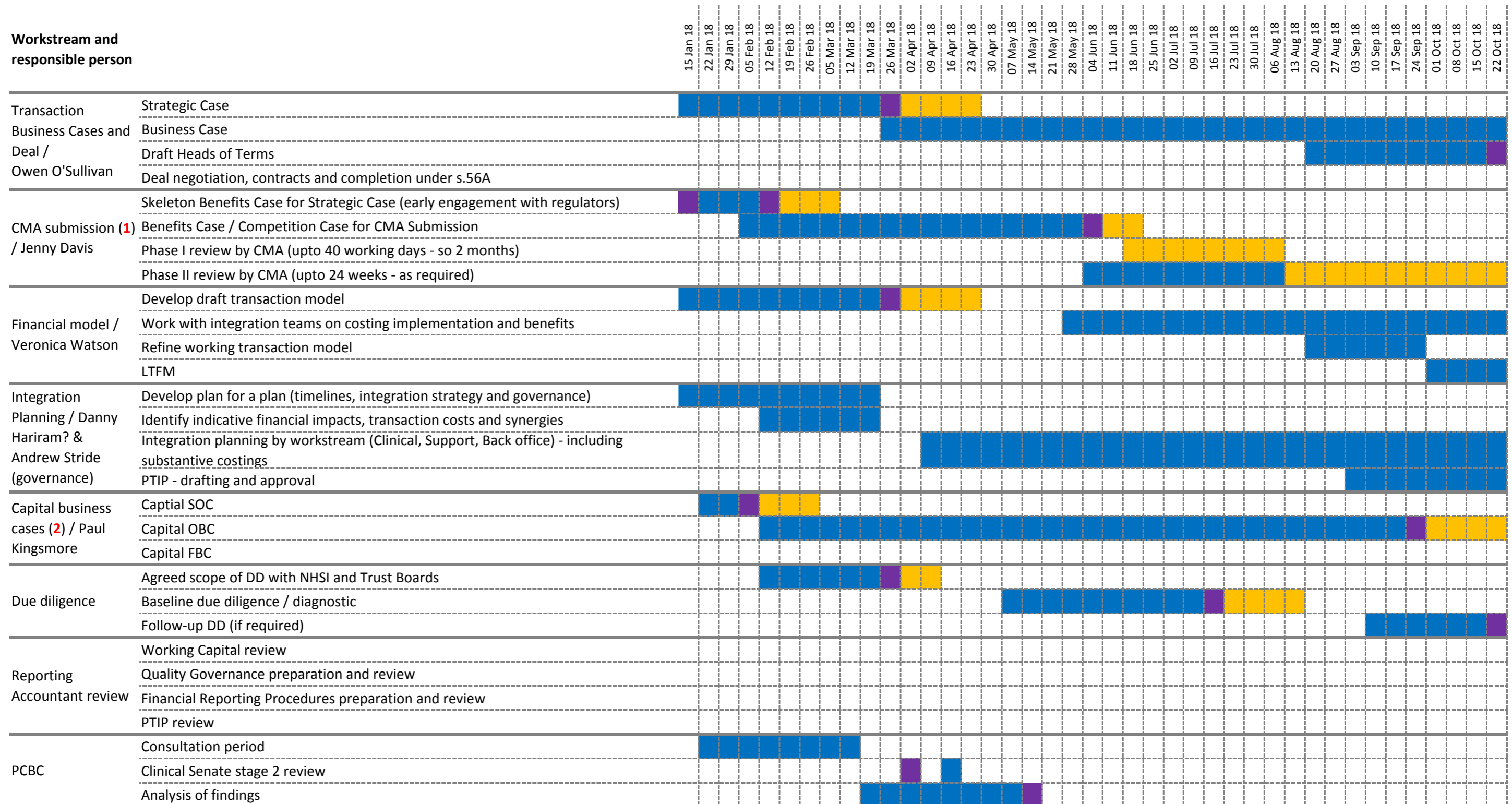
A briefing is being arranged for the MEHT Patient Council to ensure that all three groups receive the same message and have the same opportunity to ask questions and influence the next steps in the project.

#### Appendices

Appendix 1 – Project timeline

Appendix 2 – Updated Programme Governance and Leadership Structure

Appendix 3 – Programme Board Terms of Reference



**Key risks and dependencies**

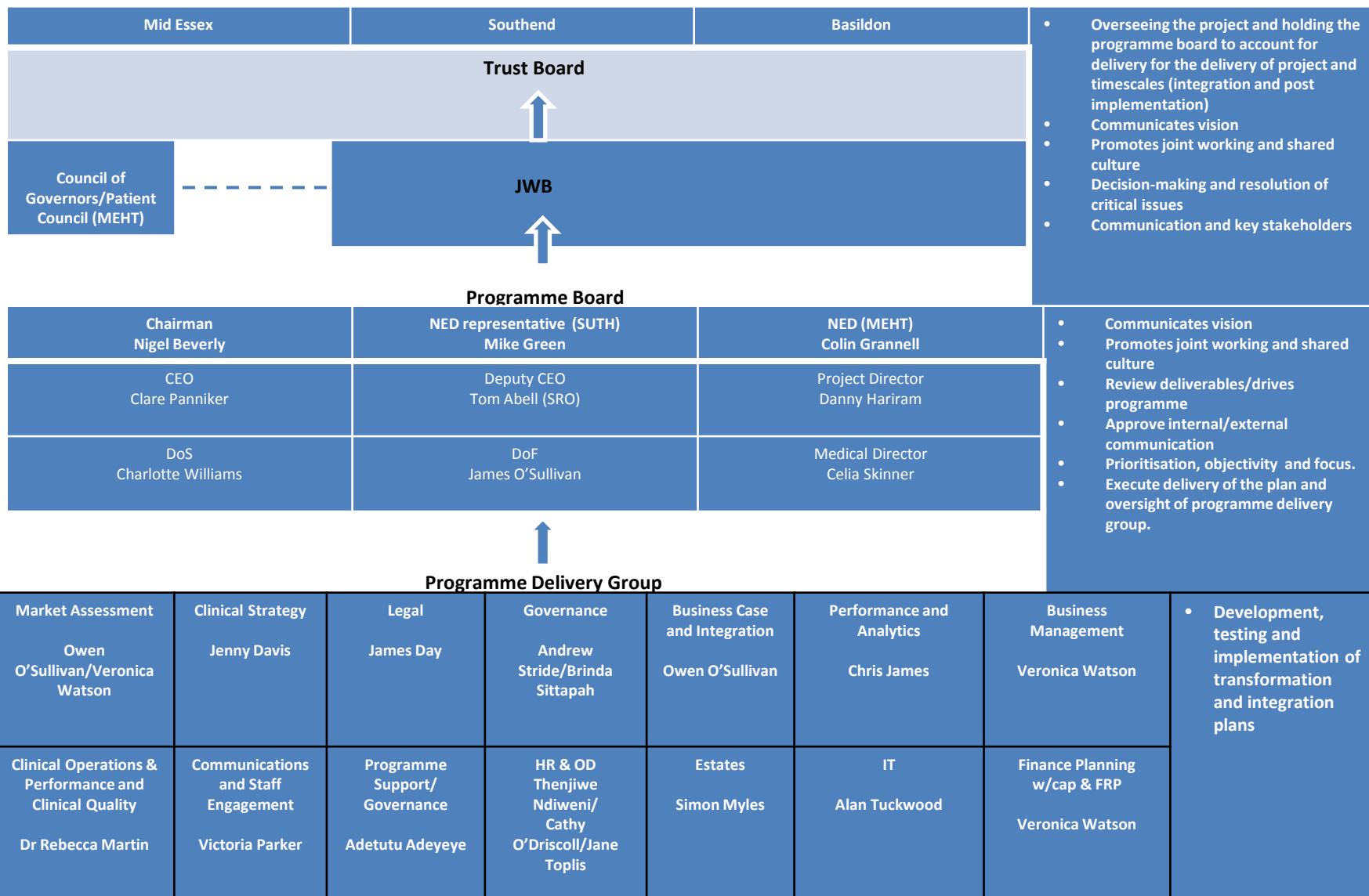
- 1 CMA submission** The timeline is dependent on:
1. Engaging external support and beginning work at the start of February
  2. Broad agreement across the trusts on the key planned changes to clinical services and enablers (eg IT and estates)

**Key**

- Work / development
- Deliverable reviewed by Board
- Review and challenge by regulators

29 Oct 18	05 Nov 18	12 Nov 18	19 Nov 18	26 Nov 18	03 Dec 18	10 Dec 18	17 Dec 18	24 Dec 18	31 Dec 18	07 Jan 19	14 Jan 19	21 Jan 19	28 Jan 19	04 Feb 19	11 Feb 19	18 Feb 19	25 Feb 19	04 Mar 19	11 Mar 19	18 Mar 19	25 Mar 19	01 Apr 19	Develop (weeks)	Board review (weeks)	Regulator review (weeks)	Develop (Months)	Regulator review (months)
																							10	1	4	2.3	0.9
																							36	1	13	8.3	3
																							9	1	2	2.1	0.5
																							16	0	3	3.7	0.7
																							3	2	3	0.7	0.7
																							17	1	2	3.9	0.5
																							0	0	8	0	1.8
																							10	0	26	2.3	6
																							10	1	4	2.3	0.9
																							22	0	0	5.1	0
																							6	0	0	1.4	0
																							7	1	11	1.6	2.5
																							10	0	0	2.3	0
																							6	0	0	1.4	0
																							33	0	0	7.6	0
																							13	1	14	3	3.2
																							2	1	3	0.5	0.7
																							28	1	12	6.5	2.8
																							15	0	0	3.5	0
																							6	1	2	1.4	0.5
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																							6	1	4	1.4	0.9
																							1	0	12	0.2	2.8
																							3	1	12	0.7	2.8
																							3	1	12	0.7	2.8
																							1	0	12	0.2	2.8
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																							8	0	0	1.8	0

# Future Organisational Form Programme Governance





## **Programme Board Terms of Reference**

### **Future Organisational Form Programme Board**

#### **Terms of Reference**

##### **Purpose**

Developed from the Future Organisational Form Steering Group, the Future Organisational Form Programme Board meets the JWB requirement for there to be high level leadership oversight of the processes, workstreams, applications and submissions required to put into effect the JWB decision on 10<sup>th</sup> January 2018 to pursue a merger of the Mid Essex Hospital Services NHS Trust, (MEHT), Basildon and Thurrock University Hospitals NHS Foundation Trust, (BTUH), and Southend University Hospital Foundation Trust, (SUHT) as the preferred future form option.

The Programme Board will act as a structure to provide advice, recommendations and assurance to the JWB (and Trust Boards) and articulate and make recommendations relating to progress towards achieving the preferred option on future form following assessment of issues brought before it.

##### **Responsibilities**

The functions of the Programme Board will include

- Leading the preferred option project
- Supporting and holding the Programme Delivery Group and Joint Executive Group to account for the delivery of the required project workstreams
- Seeking assurance on progress and outcomes and holding appointed advisors to account, liaising with the Joint Executive Group and reporting to the JWB and Trust Boards as required
- Securing the appropriate mandates from the JWB and local Boards
- Co-ordinating contact and engaging with relevant stakeholders
- Contributing towards effective communication of the vision and specific issues with all relevant staff and stakeholders including the CCGs, Healthwatch and Governors
- Considering emerging financial implications
- Promoting joint working and shared culture
- Reviewing deliverables and the drivers of the programme including oversight of the delivery of the plan
- Approve internal and external communication as required
- To oversee the different phases of the project, including the strategic case, the business case and the benefits case, as well as the post transaction implementation plan (PTIP)

##### **Membership**

The Non Executive Membership will be one Non- Executive Director from each Trust, (inclusive of the Chairman), who will attend meetings. Each Trust will identify a nominated alternative Non- Executive Director member who will be similarly briefed and attend in the event that the principal Member cannot. Current Non executive members are Nigel Beverly (Basildon) Mike Green (Southend) and Colin Grannell (Mid-Essex)

Officer membership will be the Chief Executive Officer, Deputy Chief Executive Officer, the Chief Finance Officer, The Chief Medical Officer, The Project Director and the Group Director of Strategy.

The meeting will be supported by the project leadership team and any external advisers appointed.

### **Chair**

The Programme Board will be chaired by the Chairman of Basildon and Thurrock University Hospitals NHS Foundation Trust. A Vice –Chair will be agreed from within Non Executive Director members as required to any meetings in the absence of the Chair.

### **Quoracy**

The meeting will be quorate with a minimum of two Non-Executive Directors from separate Trusts (inclusive of the Chairman or vice Chairman in the absence of the Chairman) present and two Officers to include the Chief Executive Officer or Deputy Chief Executive and the Project Director

### **Decision-Making**

The Programme Board has delegated authority from the JWB to make decisions in the following respects, subject to compliance with the Standing Financial Instructions (SFIs) and Scheme of Delegation of the trusts:

- Seeking and obtaining expert advice;
- Taking forward procurement matters within SFIs;
- The delivery of the programme

### **Meeting Frequency**

As required depending upon work in progress and project requirements.

### **Administrative support**

The Steering Group will be supported by the project leadership team with an agenda drawn up in consultation with the Chairman and Chief Executive and Project Director.

### **Reporting**

The Programme Board will report to the JWB at each of its monthly meetings by way of a written or verbal report.