

Meeting Title	Mid and South Essex Acute Trusts Boards in Common (meeting in public)		
Meeting Date	6 th February 2019	Agenda No	13
Report Title	Future Organisational Form – Progress Update		
Lead Executive Director	Jonathan Dunk – Chief Commercial Officer		
Report Author	Andrew Stride – Group Director of Corporate Governance Integration		
Action Required	Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Monitoring X		
Background / Context	Members will be aware of the extensive work that has been ongoing since January 2018 to plan and deliver the proposed merger of the three acute trusts in the Mid and South Essex Sustainability and Transformation Partnership (STP). This paper provides an update on key aspects of the project since the previous JWB meeting in public on 5 th December 2018.		
Regulatory Engagement	Following the Board to Board meeting with NHS Improvement in November 2018, the MSB Group continues to engage regularly with senior leaders of NHSI to assess progress, address concerns, and ensure that our plans have the support of our Regulator. NHSI are supportive of a target date for the merger of 1 st April 2020.		
Capital Business Case and Long Term Financial Model	<p>Significant work is progressing to ensure accurate clinical data and modelling which feeds into the Capital Outline Business Case (OBC) and the Long Term Financial Model for the merger transaction.</p> <p>It is intended that the Capital OBC will be submitted to NHSI in Summer 2019 for approvals, subject to approvals being confirmed upon the previously submitted Strategic Outline Case.</p>		
Clinical Reconfiguration	<p>Elements of the clinical service reconfiguration planning are currently delayed, pending the outcome of the review process following the referrals to the Secretary of State by Thurrock and Southend Health Overview and Scrutiny Committees (HOSCs).</p> <p>The MSB Group is engaging with the Competition and Markets Authority (CMA) to ensure a common understanding of proposed clinical reconfiguration, along with the timelines of when this is intended to take place. Any required approvals for relevant clinical changes, ahead of merger transaction, will be sought from this CMA dialogue.</p>		
Governor Engagement and Corporate Governance Integration	Work is ongoing to develop key aspects of the Constitution and corporate governance structure for the new Trust. The Constitution Task and Finish Group will meet again in mid-February 2019 to agree the next steps in the appointment of the new Board in due course and		

	<p>the mechanisms to ensure that the voice of the patient is enhanced in the new organisation.</p> <p>The future organisational form senior team meet regularly with the Governors of the two Foundation Trusts and with the MEHT Patient Council to ensure they remain engaged and informed as the merger progresses.</p>
<p>Due Diligence</p>	<p>Members will recall that the Trusts have determined to undertake due diligence in a resource efficient manner, whereby elements of the organisations' business will be reviewed by internal experts, whilst other aspects are being undertaken by our external advisers.</p> <p>The outcome of the due diligence process will be brought together in a single report co-ordinated by the external advisers. This is considered to be a proportionate risk-based approach, providing the individual Trust Boards with the independent assurance they need.</p> <p>Internal due diligence is progressing in line with the project plan, with the final reports being approved by the end of March 2019.</p> <p>Externally led elements of due diligence are scheduled to be undertaken from April 2019, leading to a final consolidated due diligence report being presented to the Boards in Common in August 2019.</p> <p>Expert opinion is that an April 2020 transaction date would not require full due diligence to be undertaken from scratch again, although a refresh focussed on specific areas of risk may be needed towards the end of 2019 or early 2020.</p>
<p>Integration Planning</p>	<p>Corporate integration planning has made significant progress, building on the corporate services alignment project, with planning meetings having now taken place with leads of the corporate services not in the project scope previously. Service based consultations and implementation is now advancing.</p> <p>Of particular note is the creation of a Corporate Services Hub in Britannia House, Southend, which will be a centre of expertise for essential corporate services such as procurement, finance and HR, creating a positive environment where experts can share and promote best practice whilst releasing efficiency savings associated with economies of scale. The first teams will relocate to Britannia House from April 2019.</p>
<p>Communications and Engagement</p>	<p>The Future Organisational Form Programme Board approved in principle a Merger Communications and Engagement Strategy in late November 2018. Since that time, steps have been taken to ensure that internal and external stakeholders are properly informed and engaged as the merger progresses, with communications that are tailored to their varying needs. The Merger Team now has dedicated professional communications support to help develop this key aspect of the programme.</p>

Timescale for Benefits to be Realised	Ongoing to the anticipated transaction date of April 2020.
Assessment of Implications	
Financial	<p>Does this proposal have <u>revenue</u> (recurrent or non-recurrent) implications for the Trusts? Yes / No</p> <p>Does this proposal have <u>capital</u> (recurrent or non-recurrent) implications for the Trusts? Yes / No</p> <p>If yes, can these implications be <u>fully</u> covered by existing budgets? Yes/No</p>
Risk	<p><i>Summarise the major risks identified and cross-reference to Trust Board Assurance Frameworks/Corporate Risk Registers where possible.</i></p> <p><i>Should include the risk of <u>not</u> adopting the recommendation.</i></p>
Equality and Diversity	This proposal has been subject to an equality analysis and there are no implications for groups with protected characteristics
Freedom of Information	<i>No exemptions apply (i.e., information is in the public domain)</i>
Other Implications Identified	None of note
Recommendation	<p>The Boards of BTUH, SUHT and MEHT are invited to:</p> <p>Note recent progress in the future organisational form project.</p>
Appendices	N/A