

Meeting Title	Mid and South Essex Acute Trusts Boards Meeting in Common (meeting in public)		
Meeting Date	3 rd April 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 – Corporate Governance Integration		
Action Required	Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Monitoring <input checked="" type="checkbox"/>		
Background / Context	<p>Members and stakeholders 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 programme since the previous Boards in Common meeting in public on 6th February 2019.</p>		
Engagement with Regulators	<p>The MSB Group continues to engage regularly with senior leaders of NHSI to assess progress, address concerns, and to ensure that our plans have the ongoing support of our regulator. NHSI remain supportive of the target date for merger of 1st April 2020.</p>		
Capital Business Case and Long Term Financial Model	<p>Significant progress has been made 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 Capital Strategic Outline Case (SOC).</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 intends to shortly further engage with the Competition and Markets Authority (CMA) to ensure a common understanding of the proposed clinical reconfiguration, along with the timelines of when this is intended to take place. Any required approvals for relevant clinical changes will be sought from this CMA dialogue.</p>		
Governor Engagement and Corporate Governance Integration	<p>Work is ongoing to develop key aspects of the Constitution and corporate governance framework for the merged Trust.</p> <p>The Constitution Task and Finish Group met again on 13th February 2019 to agree the process for the appointment of the Board of Directors for the new organisation in due course. This meeting was also used to</p>		

	<p>engage directly with Governors, Patient Council members and non-executive directors on all aspects of the merger and the wider transformation programme.</p>
<p>Due Diligence</p>	<p>Members will recall that the MSB Group 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 consolidated report co-ordinated by the external advisers. This is considered to be a proportionate risk-based approach, providing the individual Trust Boards and the Governors 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 in early May 2019.</p> <p>Externally led elements of due diligence are scheduled to be undertaken from mid-April 2019, leading to the final consolidated report being presented to the Trust 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 continues to make significant progress, building on the corporate services alignment project, with planning meets having taken place with leads of the corporate services that were not in the project scope previously. Service based consultation and implementation is advancing.</p> <p>Of particular note is the creation of a Corporate Support Services Hub in Britannia House, Southend. This will be a centre of expertise for essential corporate support 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>Clinical Integration planning also continues to advance, with plans for each service currently being finalised for review.</p>
<p>Communications and Engagement</p>	<p>The Future Organisational Form Programme Board approved 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 varied needs. The Merger Team now has dedicated professional communications support to help develop this key aspect of the programme.</p> <p>An updated version of the strategy was presented to the Programme Board on 29th March 2019 to reflect refinements in the stakeholder</p>

	mapping and the schedule of engagement activities that are taking place or will commence imminently.
Timescale for Benefits to be Realised	Ongoing to the anticipated merger transaction date of 1 st April 2020 and beyond in terms of post transaction implementation planning.
Assessment of Implications	
Financial	<p>Does this proposal have <u>revenue</u> (recurrent or non-recurrent) implications for the Trusts? No</p> <p>Does this proposal have <u>capital</u> (recurrent or non-recurrent) implications for the Trusts? Yes – please see the Capital OBC section</p> <p>If yes, can these implications be <u>fully</u> covered by existing budgets? No – hence the need for Capital Business Case approval</p>
Risk	Risks associated with failure to deliver the merger are reflected in the Group Board Assurance Framework.
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 Trust Boards of BTUH, SUHT and MEHT are invited to:</p> <p>Note recent progress in the future organisational form programme.</p>
Appendices	N/A