

<b>Meeting Title</b>	Mid and South Essex Acute Trusts Boards Meeting in Common		
<b>Meeting Date</b>	12 <sup>th</sup> June 2019	<b>Agenda No</b>	<b>12</b>
<b>Report Title</b>	Future Organisational Form – Progress Update		
<b>Lead Executive Director</b>	Jonathan Dunk, Chief Commercial Officer		
<b>Report Author</b>	Andrew Stride, Group Director – Corporate Governance Integration		
<b>Action Required</b>	Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Monitoring <input checked="" type="checkbox"/>		
<b>Background / Context</b>	<p>Members and stakeholders will be aware of the extensive work that has been ongoing 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 3<sup>rd</sup> April 2019.</p>		
<b>Timeline</b>	<p>The Group continues to engage regularly with senior leaders of NHSI to assess progress, address concerns, and to ensure that our plans having the ongoing support of our main regulator. NHSI remain supportive of the target for merger of 1<sup>st</sup> April 2020.</p> <p>It should be noted that the referrals made in November 2018 by the Health Overview &amp; Scrutiny Committees of Thurrock and Southend councils, currently remain with the Secretary of State for decision. Timely resolution of these will be required if the proposed transaction date is to be achieved. Equally many of the critical dates set out throughout this update have a direct contingency upon referral resolution.</p>		
<b>Capital Business and Long Term Financial Model</b>	<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 (LTFM) for the merger transaction.</p> <p>It is intended that the Capital OBC be submitted to NHSI in Summer 2019 for approval, subject to approval being confirmed upon the previously submitted Capital Strategic Outline Case (SOC).</p>		
<b>Clinical Reconfiguration</b>	<p>Clinical integration planning has been progressing across an initial 41 specialties since August 2018. Three rounds of meetings have been held with all specialties to date, in order to determine the future state</p>		

	<p>of services. Integration planning templates have been completed and there have been desktop reviews by the Site Leadership Teams. Following dedicated “review and confirmation” meetings in June, the plans will be formally signed-off by the Executive Team during July 2019.</p> <p>Conscious that the referral process is still outstanding, we are exploring ways of mitigating the risk that this delay poses; to the merger, the delivery of the benefits to patients and to the sustainability of the local health and care economy.</p>
<p><b>Governor Engagement and Corporate Governance Integration</b></p>	<p>The programme of work to determine the Constitution and the corporate governance structure for the proposed new Trust is coming to a conclusion. The next meeting of the Constitution Task and Finish Group will take place later in June. The main focus of that meeting will be to further develop the arrangements for recruiting the Chair and NEDs for the new Trust Board.</p> <p>A Governor Conference (technically a meeting in common of the two Councils of Governors) will take place on 27<sup>th</sup> June 2019. The prime purpose of this meeting will be to formally approve the package of Constitutional changes developed by the Task and Finish Group since Summer 2018. Other topics at the conference will include:</p> <ul style="list-style-type: none"> <li>• A general update on the merger programme;</li> <li>• A focus on due diligence and the responsibilities of Governors in ultimately approving the proposed merger;</li> <li>• Starting the process for a development plan for current and incoming Governors for the new Trust</li> </ul> <p>The recruitment process for the Chair of the new Trust will commence in early July 2019, following approval at the Governor Conference.</p>
<p><b>Due Diligence</b></p>	<p>Members will recall that the Group decided to undertake due diligence in a resource efficient manner, whereby elements of the organisations’ business would be reviewed by internal experts, whilst other aspects would be 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>The internal due diligence process will conclude with the approval of the commercial due diligence report through the Group’s governance</p>

	<p>processes during June 2019 leading to final sign-off by the Boards Common in early July 2019.</p> <p>External due diligence is progressing well, such that we anticipate the planned timescale for due diligence will complete on time in August 2019.</p>
<b>Communications and Engagement</b>	<p>The FOF Programme Board approved a revised Merger Communications and Engagement Strategy at the end of March 2019. In the past two months, we have continued with our programme of structured engagement with various groups of stakeholders, including staff at all three sites and governors. In line with the Strategy, we continue to target particular individuals or groups of external stakeholders with particularly high levels of influence and interest with regard to the merger.</p>
<b>Timescale for Benefits to be Realised</b>	<p>Ongoing to the anticipated merger transaction date of 1<sup>st</sup> April 2020 and beyond in terms of post transaction implementation planning.</p>
<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>No</b></p> <p>Does this proposal have <u>capital</u> (recurrent or non-recurrent) implications for the Trusts? <b>Yes – see the Capital OBC section</b></p> <p>If yes, can these implications be <u>fully</u> covered by existing budgets? <b>No – hence the need for Capital Business Case approval</b></p>
<b>Risk</b>	<p>Risks associated with failure to deliver the merger are reflected in the Group Board Assurance Framework.</p>
<b>Equality and Diversity</b>	<p>This proposal has been subject to an equality analysis and there are no implications for groups with protected characteristics OR</p>
<b>Freedom of Information</b>	<p><i>No exemptions apply (i.e., information is in the public domain)</i></p>
<b>Other Implications Identified</b>	<p>None of note</p>
<b>Recommendation</b>	<p>The Trust Boards of BTUH, SUHT and MEHT are invited to:</p> <p>Note recent progress in the future organisational form programme.</p>