

Meeting Title	Mid and South Essex Acute Trusts Boards Meeting in Common		
Meeting Date	13 th November 2019	Agenda No	16
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 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 11th September 2019.</p>		
Timeline	<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 1st April 2020 and all workstreams remain on track to enable the delivery of that date.</p>		
Capital Business Case	<p>The Strategic Outline Case (SOC) for the £118m of national capital, required to enable clinical reconfiguration, was submitted to NHSI in late 2018. Following resolution of the HOSC referrals NHSI are now in a position to approve this document and this is anticipated to happen in the last week of November 2019.</p> <p>The Capital Outline Business Case (OBC), which will follow the SOC, has been fully drafted. This contains detailed estate designs and financial requirements that are consistent with the SOC. The OBC will be reviewed and endorsed by the Boards in Common today ready for onward NHSI submission, immediately following SOC approvals.</p>		
Long Term Financial Model (LTFM)	<p>The LTFM has been developed in conjunction with the wider STP Long Term Plan and, as such, assumptions regards future period patient activity, especially demographic growth and demand management, are fully aligned with commissioning partners.</p> <p>The LTFM has now been fully incorporated into the Transaction Business Case.</p>		

<p>Post Transaction Integration Plan (PTIP), Merger Transaction Business Case and Patient Benefits Case (PBC)</p>	<p>The PTIP and the Transaction Business Case are at the near final draft stage of development.</p> <p>Work is also nearing completion on the development of a viable Patient Benefit Case for the merger that is not reliant on national capital funding. We are using six specialty case study areas which are: Vascular, Trauma & Orthopaedics, General Surgery, Integrated Care, Radiology and Ophthalmology. There are also two cross-cutting cases on Workforce and Standardisation. These cases were developed in close collaboration with NHSI who have commented extensively on the drafts. Most of the draft case study areas have now been completed.</p> <p>The finalised Transaction Business Case, PTIP and the PBC will be submitted to NHSI on 13th December 2019 following approval by the MSE Boards in Common on 11th December 2019.</p>
<p>Appointments to the Board of the Merged Trust</p>	<p>The closing date for applications for the Chair of the merged trust was 14th October 2019. The shortlisting meeting with current Governors took place on 1st November 2019. There will be a formal interview and selection panel on 15th November 2019.</p> <p>As previously agreed, the interview panel will comprise Governor members of the SUHT Search and Appointment Committee, alongside the Lead Governors and one other Governor from BTUH, the MEHT Patient Council Chair and their colleague. We remain on track for the Chair to be appointed during November 2019. He or she will therefore be able to work closely with the Governors on the process for selecting the eight non-executive directors.</p> <p>The expression of interest process for the 4 non-executive director positions on the Board of the merged trust, which are subject to internal recruitment in the first instance, has now commenced. Shortlisting will take place once the Chair is in post. The 4 remaining posts (plus any positions that could not be filled from the internal pool) will be the subject of an external public recruitment campaign.</p> <p>We remain on target for the Interim Board/Advisory Forum to take up their positions during January 2020.</p> <p>Members are reminded that until the transaction is complete, the current Boards and Councils of Governors retain their full suite of statutory and governance responsibilities.</p>
<p>Governor Communications and Engagement</p>	<p>The second MSE Governor Conference took place on 3rd October 2019. The event was well attended by BTUH and SUHT Governors and by representatives of the MEHT Patient Council, as well as key officers. Topics included:</p> <ul style="list-style-type: none"> • Progress update on the merger and all aspects of the clinical, clinical support and corporate support transformation and estates developments, with the key message that the merger will bring tangible benefits for patients;

	<ul style="list-style-type: none"> • Briefing on the appointment process for the Chair and non-executive directors of the merged organisation and agreement of the target skill sets for non-executive directors; • Discussion of the statutory responsibilities of Governors in relation to the merger and the communications and engagement strategy leading up to the merger date; • Progress in developing the governance model for patient experience in the merged trust. <p>The next MSE Governor Conference will take place on 2nd December 2019. This event will primarily focus on the Patient Benefits Case alongside general merger updates, the development of the patient experience agenda in MSE and the opportunity for Questions and Answers. There will be two further such conferences prior to the merger date.</p> <p>We are rolling out a series of animations to demonstrate the improvements to patients' journeys with the implementation of the clinical reconfiguration to better evidence the benefits of merger.</p> <p>The second edition of the stakeholder newsletter has now been published, along with a dedicated Governors' newsletter. This is in response to their request at the recent Governors' conference where we received positive feedback about our communication and engagement work.</p>
<p>Reporting Accountant</p>	<p>The procurement process commenced on 21st October 2019 for an external provider of the Reporting Accountant function, which is a key part of the merger process. The Reporting Accountant provides assurance on four key aspects of the proposed merged trust. These are:</p> <ul style="list-style-type: none"> • Working Capital; • Financial Reporting; • Quality Governance; • Integration Planning/PTIP <p>Desktop work will take place during December 2019, with the on-site fieldwork taking place over a 4 week period in January and early February 2020.</p>

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? Yes</p> <p>Does this proposal have <u>capital</u> (recurrent or non-recurrent) implications for the Trusts? Yes – 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 OR
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>