

Full Business Case for merger between Ealing Hospital NHS Trust and North West London Hospitals NHS Trust- Briefing for Harrow Health and Well Being Board 11th September 2014

1.0 Background

- 1.1** The HWB will be aware that Ealing and North West London Hospitals NHS Trusts have been working towards a merger for some time. Key milestones in this process have been:
- 1.2** 2010 – Both Boards committed to develop plans for merger based on an options appraisal managed by NHS North West London. The Boards of both organisations consider that merger is the right thing to do in order to achieve clinical and financial stability in healthcare delivery for the populations that they serve. This view has strengthened through the merger planning process.
- 1.3** November 2011 –Outline Business Case for merger approved by the Boards of both Trusts and NHS London. Merger endorsed by Ealing, Harrow and Brent Primary Care Trusts. Merger case was based on organisational synergies with no major service change.
- 1.4** September 2012 –Full Business Case submitted to NHS London. Trusts asked to pause the process and to revise the case once the outcome of consultation on Shaping a Healthier Future was known.
- 1.5** April 2013 – New NHS structures came into place. The National Trust Development Authority (NTDA) assumed responsibility for non-foundation Trusts. The NTDA (London Region) assumed responsibility for overseeing the merger process and ultimately will make any recommendation on merger to the Secretary of State for Health. Clinical Commissioning Groups (CCGs) replace the Primary Care Trusts – CCG support required for service/organisational changes.
- 1.6** February 2013: Joint Committee of Primary Care Trusts agreed with the SaHF recommendations. Subsequently referred for Independent review.

- 1.7 October 2013 –Secretary of State for Health accepts the Independent Review Panel recommendation following public consultation on SaHF. The secretary of State decision sets the strategic context for commissioning within the sector and for merger planning between Ealing and North West London Hospitals.

2.0 Current status and steps to merger approval

- 2.1 The Trusts have continued to work on the business case for merger refining the clinical and financial models in line with the service changes set out through SaHF.
- 2.2 A revised business case was reviewed by the NTDA in November 2013 and since then has been developed into the Full Business Case presented today.
- 2.3 The FBC has been approved by the Boards of Ealing Hospital and North West London Hospitals at their June meetings – the FBC is available to the public through the Trust websites.
- 2.4 The FBC was reviewed and supported by the NTDA at their 24th July Board meeting. This was ‘gateway 3’ in the NTDA transactions process. Having been approved by the NTDA Board the case is now progressing to the final gateway 4 approval in September 2014. Gateway 4 involves formal agreement of a Transaction Agreement including the financial arrangements in support of the merger as well as the proposed dissolution arrangements for the existing Trusts and establishment order for the new Trust.
- 2.5 CCG support for the merger was sought and agreed formally through the respective CCG Boards for Ealing, Brent and Harrow in July 2014, resulting in a joint letter of support for the merger.
- 2.6 The merger has also been reviewed by the Competition and Markets Authority (previously the competition commission) and was reviewed throughout the process by the Office of Government Commerce.
- 2.7 Assuming NTDA approval follows as outlined above the existing Trusts will be dissolved and a new Trust established from 1st October 2014.
- 2.8 The new Trust will be called London Northwest Healthcare – names of existing Hospital sites will not change.

3.0 Additional papers attached for review

- 3.1** Full Business Case for merger that has been submitted to the National Trust Development Authority – London Region. The FBC was endorsed by the Boards of Ealing and North West London Hospitals at their June meetings and is publically available through the Trust websites.

- 3.2** Merger summary; this is a brief presentation summarising the key benefits, risks and financial assumptions that underpin the merger, which I will talk to at the meeting on the HWB on the 11th September and welcome questions from members.

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