

## **Central Bedfordshire Council**

### **Social Care Health and Housing Overview and Scrutiny Committee**

**SUBJECT:** Update on the proposal for Bedford Hospital and Luton & Dunstable University Hospital to merge

**BRIEFING DATE:** 27 November 2017

---

#### **PURPOSE**

To provide a briefing on the proposal to merge Bedford Hospital and Luton & Dunstable University Hospital and the potential implications of these plans on local residents.

#### **RECOMMENDATION**

Central Bedfordshire Council Social Care Health and Housing Overview and Scrutiny Committee is recommended to:

- Note the proposal for Bedford Hospital NHS Trust and Luton and Dunstable University Hospital NHS Foundation Trust to merge
- Note the intention to develop a Full Business Case for submission to NHS Improvement in December 2017
- Note the intention to establish a Joint Trust Board from April 2018

#### **BACKGROUND**

- Bedford Hospital and Luton & Dunstable University Hospital are both successful District General Hospitals (DGHs) with strong support and regard from their local communities and reputations for delivering excellent services.
- The two organisations have a long history of working together, already share some clinical services, for example vascular surgery; head and neck cancer services; neonatal intensive care, stroke services; and also share many of the same key partners eg, ambulance, CCG, community services provider. They believe that this proposal to bring both Trusts together as a single organisation is the best way of ensuring sustainable and viable hospital services for the future.
- There is a pressing need to address the compelling workforce challenges necessary to deliver high quality services seven days a week in an increasingly competitive market for many staff groups. Continuing to deliver services to the standard demanded by our patients against this background has led both organisations to conclude that whilst continued collaboration was beneficial, a formal union would better maximise the opportunities for both, creating the economies of scale necessary to deliver high quality healthcare.

- This proposal has been developed from discussions between the three acute trusts as part of the BLMK Sustainability and Transformation Plan to develop sustainable acute services and identify opportunities to rebalance local health provision by re-focussing growth monies into out of hospital care.
- This proposal was supported by the Bedford Hospital Trust Board at its meeting on 11 September 2017 and the Luton & Dunstable Trust Board at its meeting on 13 September 2017. It was subsequently announced to both organisations' stakeholders.

This is proposed as a merger of two strong organisations, fully supported by both Trust Boards. As Luton and Dunstable Hospital is a Foundation Trust and Bedford Hospital is not, the process will follow the NHS transaction process which will integrate Bedford Hospital into the existing Foundation Trust. A new name for the Trust is anticipated.

Both Trust Boards believe that after the years of uncertainty it is in the best interests of staff and the public to proceed as quickly as possible, within the constraints of the legal and regulatory requirements, and are aiming to establish a new Trust Board by April 2018. In the meantime, each Trust will work together to continue to implement their operational and strategic plans. There are significant developments underway in both hospitals such as improvements to IT systems, the development of an Urgent Care Centre at Bedford Hospital and a new MRI scanner at L&D. These and other projects will continue.

### **WHAT IS THE PROPOSAL?**

Bedford Hospital and Luton and Dunstable (L&D) Hospitals are considering a proposal to join forces and become a single Foundation Trust. By working together in this way, they will be able to provide the best possible patient care and services to the increasing local population. The merger of the two hospitals will form a single NHS Foundation Trust with a single management team, delivering a full range of services on both sites, thereby enabling:

- Sharing of expertise to improve services
- Better delivery of patient care and clinical pathways
- Improved efficiency through economies of scale

The proposal has been considered in the context of opportunities for broader acute collaboration across the Bedfordshire, Luton and Milton Keynes Sustainability and Transformation Plan (BLMK STP) footprint. The strength of this proposal is that it has the benefit of being more easily deliverable in the short term than a more complex three-way merger with Milton Keynes Hospital, and has strong alignment with the STP triple tier ACS model that is currently envisaged for BLMK.

### **HOW WILL THIS BENEFIT CENTRAL BEDFORDSHIRE RESIDENTS?**

For several years now, Bedford Hospital has been operating within a context of potentially significant changes to the organisational form and/ or clinical service configuration and the resultant political attention and resistance to any perceived downgrading of the hospital. This has created an extended period of uncertainty, which has had an inevitable adverse impact on staff morale and the Trust's ease of recruitment. It is critical at this time to end this uncertainty, providing stability and a clear and system-owned vision for clinical services at Bedford Hospital to help staff and patients move forward positively and in the best interests of the local population.

There are much stronger synergies between the two Bedfordshire hospitals in terms of population overlap, shared stakeholder organisations, commissioner affiliation and clinical pathways, than there are between Milton Keynes and Bedford Hospital which was previously explored through the Bedfordshire and Milton Keynes Healthcare Review. Bringing Bedford Hospital and Luton & Dunstable Hospital together is seen as a positive opportunity by the senior teams to:

- Build on the strong existing synergies between the two hospitals
- Improve delivery of clinical services
- Improve the efficiency of professional support services<sup>1</sup> and the hospital infrastructure
- Deliver clinical support services<sup>2</sup> at scale and the options for innovation this provides
- Gain from standardising the current examples of excellence at both Trusts across the larger organisation

By working together as a single organisation and increasing the scale and resilience of clinical services, the range and quality of services provided to the population of Bedfordshire as a whole will further improve. This is an excellent opportunity to ensure that waiting times are minimised, to offer a broader range of specialist services and improve multidisciplinary and integrated working both within the hospital services and with consistent and improved relationships with community and mental health providers.

The case sets out £150m capital investment proposals across both hospitals, which is critical to make the hospital estates fit for purpose and resilient, and to ensure the effective ongoing delivery of core clinical services for patients across Bedfordshire. Although the potential financial benefits are not the principal driver for the proposed union, it is expected that bringing the two hospitals together should save more than £13m by the end of year 5.

## **NEXT STEPS**

An Implementation Board that is co-chaired by the Chief Executives from each Trust with membership from the Executive Directors and relevant expertise from each Trust has been set up to lead this work. The need for additional expertise and capacity to develop the proposal and undertake the necessary engagement and due diligence was recognised. As a result, the JIB appointed PricewaterhouseCoopers (PwC) in October 2017 to deliver the Full Business Case (FBC) for the proposed merger as well as lead the project office managing the merger process. A lead from each hospital has also been appointed to work with PwC and act as the link with the hospitals.

The Trusts are committed to ongoing communications and engagement with staff and the public during this process to discuss the benefits of the proposal and identify concerns and queries. Feedback from stakeholders and the Trust Boards will be taken into account in reaching the final decision about whether to proceed with the merger. As L&D is a Foundation Trust, its governors will also need to approve the merger.

However, no formal consultation is required.

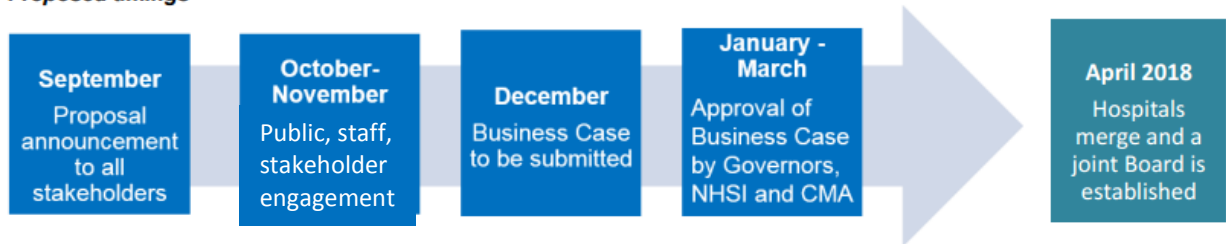
---

<sup>1</sup> Professional Support Services' include services such as Human Resources, Finance, Procurement, Communications

<sup>2</sup> Clinical Support Services' include services such as imaging (Radiology), laboratory services (Pathology), Therapies, Pharmacy

## PROPOSED TIMINGS *(subject to approvals)*

### *Proposed timings*



## APPENDIX

The following appendices are attached to this report:

**Appendix 1** – Public Summary

**Appendix 2** – Summary of the Strategic Outline Case (SOC)