



**SUMMARY OF STRATEGIC CASE FOR MERGER**

**OF**

**BEDFORD HOSPITAL NHS TRUST (BH)**

**AND**

**LUTON & DUNSTABLE UNIVERSITY HOSPITAL FT (L&D)**

## Summary

A Strategic Outline Case (SOC) has been prepared which sets out the strategic case for the merger of Bedford Hospital NHS Trust (BH) and Luton & Dunstable University Hospital NHS Foundation Trust (L&D).

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:

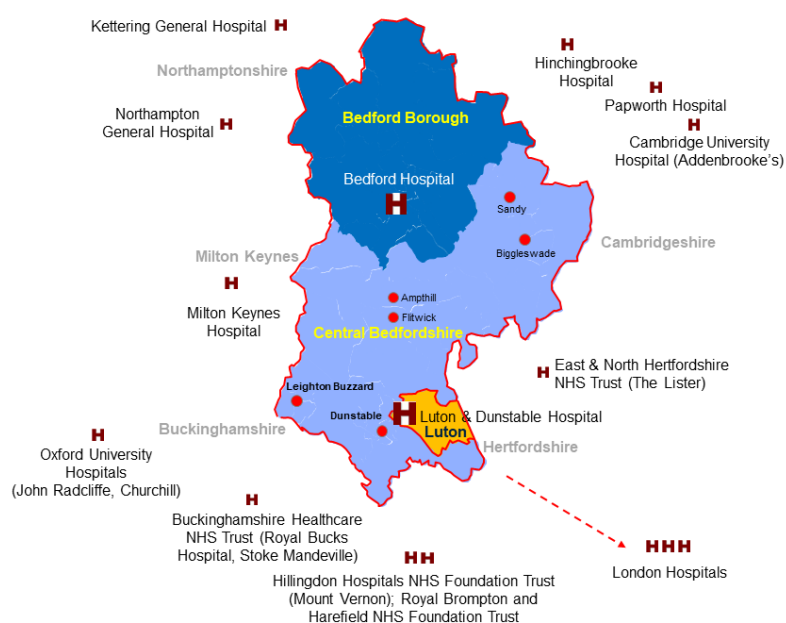
- Sharing of expertise to improve services
- Better delivery of patient care and clinical pathways
- Improved efficiency through economies of scale

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.

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.

## *The Case for Change*

Luton & Dunstable University Hospital and Bedford Hospital are both successful District General Hospitals (DGHs) with strong support and regard from their local communities and reputations for delivering excellent services. The hospitals share important synergies, with a number of shared clinical services such as vascular surgery, head and neck cancer services, neonatal intensive care, stroke services and screening services for bowel, breast, cervix and retina. The two hospitals also share many of the same key partners; Bedfordshire and Luton Clinical Commissioning Groups, East of England Ambulance Service, Health Education East, and East London NHS Foundation Trust as examples. In particular the overlap in provision of care for patients from the Central Bedfordshire catchment has already resulted in a large degree of joint working between the hospitals, clinical commissioning groups (CCGs) and local authorities.



In an increasingly challenging environment for health care delivery it is important that services are of a large enough size to be effective and resilient. Continuing high population growth, particularly in the elderly population of Bedfordshire; inability to continue to expand clinical workforce at the current rate and the need to deliver effective 7 day services to cope with increasing activity all mean that there is a need to think differently about how acute providers work. It is important to protect the current strong performance of both hospitals at a time of growing pressure; by bringing the two hospitals together and working with an increasingly integrated commissioning function across Bedfordshire, the organisations will be well placed to address these challenges.

### ***What are the benefits of change?***

Bringing together the two hospitals 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
- Implement different models of care supported by the STP Accountable Care System (ACS)<sup>1</sup> ambitions
- Improve the efficiency of professional support services<sup>2</sup> and the hospital infrastructure
- Deliver clinical support services<sup>3</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

The proposal has been considered in the context of opportunities for broader acute collaboration across the 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.

In describing the clinical service model, it is clear that A&E, maternity and paediatric services should all be retained at Bedford Hospital, but with support from the L&D and with clinical services working as single teams across the whole Bedfordshire catchment. A number of critical principles are agreed which will underpin the clinical service model:

- Movement of inpatients between sites needs to be avoided wherever possible on the basis that it increases cost and length of stay and offers poor patient experience
- Outpatients are best managed locally
- Single advice and guidance services and single on-calls to avoid duplication of processes and capacity
- “Intelligent Conveyancing” should be used to signpost emergency ambulances to units with capacity
- Clinical teams should operate as a single service delivered over two (or more) sites in the best interests of the users of that service

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<sup>1</sup> Accountable Care Systems were announced in the NHS ‘Next Steps on the Five Year Forward View’, and will see local health and care organisations supported by NHS England and NHS Improvement to work more closely together to provide joined up, better coordinated care.

<sup>2</sup> ‘Professional Support Services’ include services such as Human Resources, Finance, Procurement, Communications

<sup>3</sup> ‘Clinical Support Services’ include services such as imaging (Radiology), laboratory services (Pathology), Therapies, Pharmacy

On this basis, it is possible to achieve an optimised clinical model between the two sites.

- All services are managed as single clinical teams. Where appropriate, specialist clinicians rotate between sites as far as practical in order to bring services to patients rather than patients travelling, especially for chronic conditions and frail, elderly patients;
- Professional and clinical support services are fully integrated and support the delivery of boundary-free clinical care across the two hospital sites;
- A&E services are provided both at L&D and Bedford, with the potential for the highest risk emergency activity out of hours being supported by the L&D site e.g. multiple trauma, emergency surgery;
- Specialist emergency inpatient services such as respiratory, stroke and gastroenterology would be cross supported by clinical teams offering input and expertise across the whole of Bedfordshire;
- Both sites could become the specialist centre for different areas of elective work;
- Bedford hospital would retain maternity services, and paediatrics, but care of high dependency emergency paediatric patients would be supported by the L&D site;
- For **agreed** pathways, ambulances would convey critical patients as part of an 'intelligent conveyancing' model which reflected the ability of either site to receive and manage that patient at that time.

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 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.

### ***Financial Benefits***

The financial benefits of the union have been assessed at high level and will be modelled in detail for preparation of the full business case. The benefits of integration have been calculated, and by the end of year 5 the surplus position for the combined trusts is forecast at £8.8m compared to a loss of £4.6m by the end of year 5 in the do nothing scenario. This represents a significant recurrent revenue benefit of nearly £40m over 5 years.

The major capital programmes for both hospitals have been reviewed in light of the proposed union, and the total capital requirement for the project is £150m.

### ***A step in the right direction***

Both hospitals are committed members of the Bedfordshire, Luton and Milton Keynes STP and propose this union as a significant step on a pathway towards the delivery of integrated care across the emerging ACS area. Collaboration between the two hospitals will further support the other strategic objectives of the ACS; in particular, it will allow better integration with the two CCGs in Bedfordshire and establish a strong foundation for working effectively with a more integrated community and mental health provider, subject to the outcome of the current BCCG procurement for community services.

### ***What happens next?***

Subject to approval of this strategic case by the two hospital boards by the 13<sup>th</sup> September 2017, and confirmation of support from BLMK STP partners and by national regulators NHS Improvement (NHSI) and L&D Governors, a full business case will be prepared and submitted for approval to the two hospital boards in December 2017. The intention is to establish a new Trust Board by April 2018.

The transaction will require the support of NHSI, the STP partners as well as that of the local community. NHSI and BLMK STP have already provided significant support and advice to the two trusts in the formative stages of this proposal, which has been instrumental in facilitating the progress that has been made so far.

It is of vital importance that staff are kept fully informed and are properly engaged in the process of bringing the hospitals together. The boards are committed to ensuring that any impact of the change process on staff must be minimised and TUPE process followed. This is an extremely positive opportunity for the teams at both trusts to secure services and provides certainty around the future direction of travel for the hospitals. Nonetheless any significant change can be unsettling for staff and it is imperative that the engagement and communication activities are sensitive to the inevitable concerns and give staff the opportunity to understand what the change will mean for them.

The two trusts will form an Integration Board jointly chaired by the two CEOs, which will oversee the important work that needs to take place over the coming months:

- **Staff and clinical service engagement** to further inform the Full Business Case and identify very clearly what the changes will look like and the timescales for delivering these
- The trusts will commission support for **due diligence and legal advice** as part of testing the requirements and informing the final decision to proceed
- **Technical planning for transition**; decisions and timescales for bringing together IT systems, policies, processes etc.

This is an exciting and progressive step for the two hospitals to take together and demonstrates the commitment of the senior teams to working collaboratively and constructively to improve services for the local population and provide staff with a clear vision for the hospitals in the future. The case for change is compelling as it builds on existing strengths of the two hospitals and, by providing certainty and clarity, rapidly delivers a very positive improvement.

### ***Proposed timings***

