

TRUST BOARD

Date of Meeting: 25/6/2013	Agenda Item No: 7.2	Enclosure: 13
Intended Outcome:		
For noting	For information	For decision ✓
Title of Report: Acquisition Process		
Aims: To update Board members on progress achieved and the key steps towards the Acquisition.		
Executive Summary: This report updates Board Members on a number of items relating to the acquisition process, as follows: <ul style="list-style-type: none"> ▪ Transaction Oversight Committee ▪ Stakeholder Group Meeting ▪ Shadow Governors ▪ Convergence Criteria 		
Specific implications and links to the Trust's Strategic Aims:		
We deliver excellent clinical outcomes along closely integrated pathways		✓
We provide excellent patient-centred services		✓
We deliver excellence in safety, quality and regulatory compliance		✓
We deliver efficient care and work within budgets		✓
Recommendations: The Board is requested to approve this report.		
Prepared by: Ann Farrar Interim Chief Executive		Presented by: Ann Farrar Interim Chief Executive

ACQUISITION PROCESS – UPDATE JUNE 2013

INTRODUCTION

On 24 May 2013 a Transaction Oversight Committee and a Stakeholder Group meeting was held. A summary is noted below.

TRANSACTION OVERSIGHT COMMITTEE

The Transaction Oversight Committee is comprised of the Chairman and Chief Executives of North Cumbria Hospitals (NCUH) and Northumbria Healthcare (NHFT), the TDA and the CCG. A range of items were discussed including the Business Transfer Agreement (BTA), the convergence criteria and progress from the workstreams.

- **BTA**

The legal contract for the acquisition, Business Transfer Agreement (BTA), is now in final draft. The Chairman continues to work with the TDA and Northumbria Healthcare NHS Foundation Trust to conclude the Agreement.

- **Convergence Criteria**

Significant progress, on number of the measures which will support an effective transition at the point of acquisition, has been achieved. These include the completion of the following actions:

- An extended interim management agreement
- Agreed communication protocol
- Board approved benefits of pre integration
- Action plan for improvements in patient experience and staff satisfaction
- Elimination of mixed sex accommodation
- Board approved council of governor membership arrangements in place

NHFT/NCUH Chief Executive/Chair discussions are on-going, at senior level, with the TDA and Monitor regarding the acquisition process and to learn how the Keogh Review impacts on activity plans developed. It is essential that any plans reflect on the findings of the Keogh Review to ensure improvement is made in those areas identified.

Whilst relevant documentation is fully prepared, formal submission awaits the outcome of these important discussions. The timescale for the action relating to Keogh Review would be confirmed at the next Transaction Oversight Committee meeting in July. A copy of the convergence criteria is attached as Appendix 1.

- **Workstream Update**

The above work-stream drives the delivery of the clinical and operational benefits of the planned acquisition. In the past months presentations by the Clinical Business Unit Director and Deputy Director for Emergency Surgery and Elective Care have demonstrated the implementation of the Care Closer to Home strategy, which was consulted on in 2009.

This is to report that the planned transfer of the high risk pathway for trauma and orthopaedics took effect, as planned, on Monday, 10th June. The key aims of the change (Safer Care, Effective Care and Patient Experience) were achieved in the first week and these will be formally reported to the Trust Board in September (three months after implementation). The next planned change, as was consulted on in 2009 and forms a key part of our journey of improving the care we deliver, is the general surgical high risk pathways and today the Trust Board will start discussions with the general surgeons on their proposals.

Closer working amongst clinical teams has helped the Trust to ensure patients get quicker access to services and it has provided enhanced choice to patients. For example, as a result of closer working with Northumbria Healthcare, patients have been able to access an Ophthalmology service.

STAKEHOLDER GROUP MEETING

A presentation was given to stakeholders by Jim Mackey on the role of Monitor, managing risk alongside covering the benefits, for both organisations. There was a discussion on the forthcoming reports from the CQC and the Keogh Review. In summary it was felt that there had been a lot of progress with integration on the ground between the two Trusts, and a feeling that this needs to progress.

The OSC Chairman had been impressed in the Acquisition process of how well NHFT managed rural communities. CCG chair and deputy had written to NHS England supporting the Acquisition.

SHADOW GOVERNORS

A development session for all Governors (NHCFT and shadow Governors, NCUH) was held in Carlisle on 10 June 2013. A further session is to be held on 11 September 2013.

SUMMARY

Overall, the acquisition process is progressing well and Board members will be kept up to date on key milestones achieved in July 2013.

Ann Farrar
Interim Chief Executive
19 June 2013

Acquisition of North Cumbria University Hospitals NHS Trust by Northumbria Healthcare NHS Foundation Trust
Convergence Criteria - June 2013

Priority	Convergence Requirement	Responsibility	Associated Work-stream	When	Status
Governance & Leadership	Completed review of NCUH Board transitional requirements and changes agreed with TDA	Ian Gordon	N/A	April 2013	Complete
	Board approved extended IMA in place	Ian Gordon, Brian Flood, Jim Mackey	N/A	April 2013	Complete
	Interim management arrangements in place as required in line with above	Ian Gordon, Brian Flood, Jim Mackey, Ann Farrar	N/A	May 2013	Complete
	Alignment of Board Subcommittee structures, parallel working, with common Terms of Reference	Ian Gordon, Ann Farrar, Brian Flood, Jim Mackey	N/A	July 2013	Ongoing
	Aligned and standardised Board performance reporting and management mechanisms, including complaints, serious incidents and quality metrics	Corinne Siddall, Ramona Duguid, Birju Rana	Finance, Governance & Performance	July 2013	Ongoing
	Ensure that the communications protocol is understood by Boards	Ann Farrar, Jim Mackey	Communication, Engagement & Constitution	April 2013	Complete

Priority	Convergence Requirement	Responsibility	Associated Work-stream	When	Status
2. Benefits realisation	Board approval of benefits and KPIs of pre integration proposals for: <ul style="list-style-type: none"> • Corporate Services • Clinical/Operational Services • Clinical Support Services • Child Health Services • Estates 	Ann Farrar, Jim Mackey	As appropriate	June 2013	Complete
	Pre-acquisition elements of Integration Plans fully implemented			September 2013	Ongoing
3. Quality, Service Performance & Quality Governance	Minimum amber-green performance for the combined organisation (Monitor governance risk rating Compliance Score of 1.9)	Corinne Siddall	Governance & Quality	September 2013	Ongoing
	Visible evidenced progress / outcomes seen to reduce non-compliance in line with action plan agreed between NCUHT and CQC by September 30th with full compliance by 31st March 2014.	Chris Platton		September 2013 & March 2014	Ongoing
	Board and TDA approved action plan with full compliance with any Trust pre-acquisition requirements relating to Keogh Quality Care (Mortality); NHCFT kept fully informed of all 3 rd party issues	Jeremy Rushmer, Ann Farrar, Birju Rana		To be agreed	Ongoing
	Board approved action plan in place for RTT compliance (90%) at aggregate level from 1 July (Q2) 2013 and at specialty level from 1 October (Q3) with no 12 month waits	Corinne Siddall		July and October 2013	Ongoing
	To achieve A&E standard from 1 July and	Corrine Siddall,		June 2013	Ongoing

Priority	Convergence Requirement	Responsibility	Associated Work-stream	When	Status
	each month subsequently. Board approved action plan for sustainable A&E performance standard delivery for both Divisions. Particularly addressing work to ensure target is met during Q3 and Q4.	Birju Rana, Ann Wright			
	Board approved action plan for part-year target HCAI compliance - C Difficile in line with 2013/14 Operating Plan and zero tolerance for MRSA	Clive Graham		Sept 2013	Ongoing
	Board approved action plan in place for demonstrable improvement in patient experience - One minute of your time for patients every 2 months & patient perspective real time date and Friends and Family Test	Chris Platton		April 2013	Complete
	Board approved action plan in place for demonstrable improvement in staff satisfaction - One minute of your time for staff every 2 months	Anne Farrar		June 2013	Complete
	Elimination of mixed sex accommodation breaches	Chris Platton	Finance, Performance & Governance	April 2013	Complete
	Quality Governance Framework independently assessed score of <3.5	Anne Farrar, Ramona Duguid	Governance & Quality	July 2013	Revised timescale of March 2014

Priority	Convergence Requirement	Responsibility	Associated Work-stream	When	Status
6. Financial Delivery 12/13	NCUH Year End financial position agreed with TDA and PCT/CCG.	Jim Mackey, Ann Farrar Paul Dunn, Steve Shanahan	Finance, Performance & Governance	March 2013	Complete
6. Finance Delivery 13/14	Board approved plan to improve underlying run rate in place in line with the delivery of CIPs and agreed level of external support at the point of acquisition	Jim Mackey, Ann Farrar Paul Dunn, Steve Shanahan	Finance, Performance & Governance	September 2013	Ongoing
	Board approved risk assessed 3 year financial plans from point of acquisition with minimum FRR4 for both Divisions as separate entities, and new Trust approved by Monitor	Paul Dunn, Steve Shanahan		September 2013	Ongoing
	Standardised process for cost reduction planning fully implemented with aligned reporting systems to Board/Subcommittees	Paul Dunn, Steve Shanahan		June 2013	Complete
6. Estates	Board approved plan for WCH bed reduction agreed with commissioners in line with whole system Business Case	Les Morgan, Ann Farrar, Jeremy Rushmer, Nigel Maguire	Clinical operational &	June 2013	Complete
7. Governors Body & Constitution	Board approved council of governors and membership arrangements in place	Ian Gordon, Brian Flood, and Claire Riley	Communication, Engagement & Constitution	June 2013	Complete