

Public Summary of the Full Business Case for the proposed merger of Bedford Hospital and Luton and Dunstable University Hospital



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1. Background to the merger proposal

Bedford Hospital and Luton & Dunstable University Hospital (L&D) Boards have submitted a Full Business Case (FBC) to support a proposal to merge and become a single NHS Foundation Trust.

It is an exciting opportunity to address some of the challenges our local hospitals are facing and will mean that a full range of services will continue to be provided for patients in both hospitals. This includes key services such as A&E, maternity and paediatrics (children's). The new Foundation Trust (FT) will be able to provide the best possible patient care to the increasing local population and create better opportunities for staff.

After many months of intensive work from both hospital leadership teams with the support of staff, stakeholders and the public, a Full Business Case (FBC) for the proposed merger was submitted to national regulators NHS Improvement (NHSI) on 22 December 2017 to go through a formal approvals process. Once approved, the intention is for the merger transaction to take place on 1st April 2018.

Central to the proposal is taking the “best of both” hospitals – service delivery models, people, information technology – to improve patient care, patient experience and ensure sustainable healthcare provision for the growing and ageing population

The FBC presents a compelling case for why the Trusts should merge and details how a merger will benefit patients, provide better opportunities for staff and identify cost savings to put money back into patient care and future-proof the hospital services.

The FBC recognises the challenges currently facing both hospitals and the whole healthcare system, and acknowledges the complexity of merging two organisations. It concludes that becoming one large, single organisation is the best option to meet future care requirements for patients (such as providing seven day services).

Alongside the FBC and as part of the agreement for the merger, a separate business case for capital has been submitted to NHSI to enable both hospitals to carry out some much-needed development and refurbishments to their estates. Although these will be considered through a different approval process, the benefits in the FBC can only be fully delivered if this funding is made available to the merged Trust.

As the L&D is a Foundation Trust and Bedford Hospital is not, to complete the transaction to create the new FT the L&D will follow the NHSI acquisition process. However, both organisations are working collaboratively to ensure a successful integration of services for the long term benefit of patients.

This Public Summary has been produced to share some of the key information contained within the FBC.

2. Why do we need to change?

Bedford Hospital and the L&D are both successful hospitals with strong support from their local communities and have solid reputations for delivering excellent services. They have a long history of working together and already provide some joint clinical services to the county and beyond, such as vascular surgery; head and neck cancer services; cervical cancer screening services, neonatal intensive care and stroke services. They also share many of the same key partners such as Ambulance Trust, CCG and community service providers.

At a glance profile of the L&D and Bedford Hospital

	L&D	Bedford Hospital
Catchment population	320,000	270,000
Acute and critical care beds	724	427
A&E attendances during 2016/17	144,045*	73,082
Emergency Admissions during 2016/17	37,947	26,743
Births (deliveries attended by hospital doctors or midwives) in 2016/17	5,278	2,861
Total staff employed average 2016/17	4,145	2,672
Turnover £m	308.8	192.5

* (101,059 attended A&E; 42,986 Urgent GP-led)

Looking forward, it is increasingly difficult for both hospitals to deliver services, given the national workforce shortages and a move towards health services being available seven days a week. At the same time, it is predicted that the demand for healthcare in the area will grow at almost twice the national average over the coming years. These two factors have been a catalyst for the organisations to consider merging to help them make the most of their combined resources by creating single clinical teams, delivering economies of scale and making the case for capital investment to deliver high quality sustainable healthcare.

There are five principal reasons for change:

1. **The population is growing and ageing**, adding pressure to all local services, but particularly local hospitals and emergency services.
2. **The needs of the population are changing** (more chronic illnesses) and services need to be more responsive and accessible.
3. **Services need to run seven days a week** and care needs to be delivered consistently each day. This means that more staff are required who will need to work more flexibly.
4. **Recruiting and retaining staff is challenging** in a competitive market. Being able to find and keep the best staff will be supported by better patient flows and more flexible ways of working.
5. **We must maintain our performance and high quality of care.** Both Trusts have a reputation for high quality care. The merger will maintain this as the environment becomes ever more challenging.

3. Our vision for the future

The overarching vision for the integrated Trust is:

To attract the best people, value our staff and develop high performing teams that deliver outstanding care to our patients

The best care can only be delivered by motivated and well trained clinical teams and this means it is critical to attract and retain the best staff. The new Trust will invest in its workforce and ensure that there is strong clinical leadership throughout the organisation.

This is supported by a clinical vision which will ensure the continued delivery of safe, sustainable and high quality services for the people of Bedfordshire and beyond. Any improvements to services will happen after the merger takes place and will be based on recommendations by the clinicians in each specialty working across both sites. Staff, patients and the public will be engaged through the usual process regarding any proposed changes.

Hospital service priorities

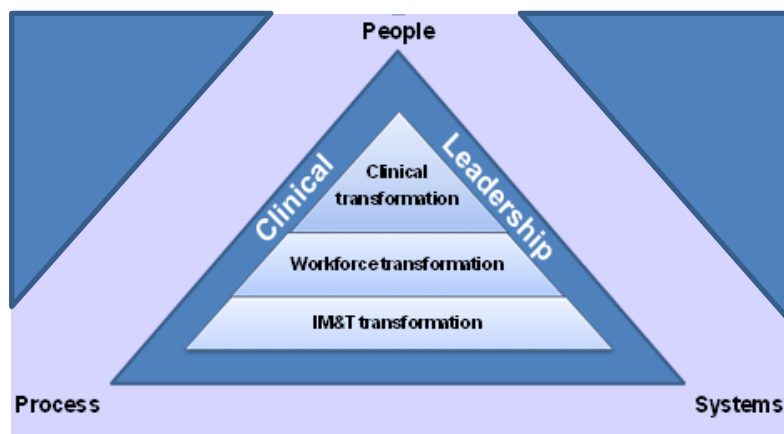
The new Trust will be committed to maintaining emergency (A&E), maternity and paediatric services at both sites and work has already started to identify how best to integrate these key services. Two additional service priorities are Frailty (including Complex Care) and Emergency Surgery.

In other areas, clinicians are actively exploring opportunities for service improvements which will be fully considered after the merger has taken place. The focus post-merger will be on Cardiology, Radiology, Rheumatology, Endoscopy, Orthopaedics and Pathology services.

By bringing together teams and services from both hospitals, the new Trust will play a pivotal role in helping to offer a more coordinated approach to providing healthcare across the whole system.

The key to success will lie in taking the “best of both” to build a new organisation with high performing teams that will deliver excellent care to patients and work in an innovative way. This means bringing together people, processes and systems to find the best solution for each service. All of which will be underpinned by robust HR and IT programmes.

A clinical leadership model (below) underpins how these factors will work together:



The new Trust's joint clinical vision is for:

- A **full range of 'outstanding' hospital services** to be provided to the people of Bedfordshire and surrounding counties
- **Excellent clinical services** that take the best from each hospital and will deliver consistently high quality standards
- The **highest standards of clinical leadership and innovation** made possible through responsive and efficient support functions
- **Integration of care with GP partners** and closer working in specialist teams to support and develop out of hospital care
- **Specialist services** that are currently delivered elsewhere e.g. plastic surgery and specialist cardiac imaging, to be delivered safely and effectively within Bedfordshire
- Practices and processes which continue **to focus on delivering safe care** to patients
- **Common service standards** to be developed **to bring equal care to all**, based on industry best practice
- **Better use of technology and information** to support the delivery of the best possible experience for patients and clinicians
- Teaching, training and research activities to support **continuous service improvement and employment of the highest quality staff.**

4. Benefits of the proposed merger

Improving services for our patients

Working together as a bigger, stronger organisation, the two hospitals will be able to expand the range of services while meeting the extra demands of an ageing and growing population.

Opportunity	Impact On Patient	Impact on Sustainability
Create single specialist services across the two hospitals e.g. gastro, elective orthopaedics and gynaecology	Improved specialisation improving clinical outcomes Better access to seven day specialist input	More resilient specialist services Making the most of the hospital estate Potential for one on-call support service for both sites Reduced on-call costs from operating as a large single team
Bring services back into Bedfordshire currently delivered elsewhere e.g. plastic surgery, specialist cardiac imaging	Prevents need for travel out of county Supports improved quality of local services	Best use of existing facilities and staff expertise Helps with recruitment and retention of specialist staff
One team providing planned care and diagnostics	Single booking process for patients supports choice of location of care	Reduces waiting times Helps manage peaks in activity and demand Best use of resource across both sites
Change in service model to ensure emergency cases are seen as quickly as possible	For critically unwell patients, Ambulance team liaises with the Emergency team at the closest site Patients go directly to the hospital with the most appropriate capacity at that time	Reduces risk of either site being overwhelmed Will help the hospitals manage patient flows most effectively Best use of clinical staff
Integration with community services	Care jointly delivered between hospital and community teams avoids 'handovers' and ensures best outcomes for patients Reduces unnecessary admissions	Manages rapid growth in ageing population without the need for more hospital beds Allows staff to develop their skills to better support patients with complex needs

Operating as one large organisation, rather than two smaller, separate hospitals will provide better access to specialist care 24/7 across the whole of Bedfordshire.

It will also:

- Enable sharing of specialist skills and expertise, encouraging excellence and innovation
- Reduce the cost of support services to ensure as much money as possible is available for quality patient care
- Provide reassurance and stability for staff and the local population in uncertain and challenging times
- Ensure core services such as A&E, maternity and paediatrics will remain at both hospital sites.

Improving opportunities for staff

Staff have been cited as the most important factor of a successful merger. By joining forces, a more robust and resilient workforce will be able to drive forward the necessary service changes.

This means having the right people with the right skills available to provide and develop services. A merger of the two organisations will help to:

- Reduce the pressure on small, specialist teams by working together as one larger clinical team
- Encourage specialist skills development through sharing best practice
- Create a larger, more resilient workforce to deliver seven day services across the two sites
- Attract and retain the best staff

Making our hospitals financially sustainable for the future

The merger is primarily aimed at improving services but will also address some of the financial challenges the hospitals are currently facing. This will be achieved by savings from management and support services and from the clinical benefits of a large organisation.

In the 'do nothing' case, Bedford Hospital is forecasting an annual loss of between £9-11 million. This means that over five years a total of £45–55 million of additional funding would need to be sought from the national NHS budget. In contrast, if the Trusts merge it is projected that the integrated Trust will generate a surplus of £9.9 million within the same five year period.

For these financial benefits to be realised, £6 million of transitional funding will be required in year one. Furthermore, the £150 million of additional funding required to support both Trusts' estate redevelopment plans will ensure that the improvement can be delivered in full and sustained for the foreseeable future.

Bedford Hospital has a historical debt of £40m and discussions are ongoing with NHSI regarding how this is best dealt with.

5. Supporting organisational change

Having a well-managed and well-led organisation is critical to supporting front line staff in providing excellent care to patients. Various workstreams have been established to ensure that progress is made across the whole organisation at a consistent pace to enable integration to take place. It is essential that changes to clinical services are supported by the necessary IT systems, HR processes, clear policies and procedures as well as effective communication and engagement with patients and staff. This all needs to happen at the same time.

Digital excellence

Investment in technology and digitisation is essential in establishing quality systems that operate across both sites, enabling more efficient working within the new Trust and with other health and social care partners. The initial priority will be to ensure that there is no disruption to services on Day One. A more detailed plan is being finalised which will set out the steps towards a fully integrated organisation. It assumes significant investment in the short to medium term to develop information systems that will transform services and enable a more flexible approach to working.

The Information Management & Technology (IM&T) vision is for a seamless organisation where:

- **Patients** have ‘user-friendly’ access to their health records and information about their care
- **Staff** from both hospitals will have access to the information they need, when they need it, regardless of role, location or site, and service or department
- **Services** are delivered flexibly to meet patient needs and preferences, and patients receive clear, prompt and effective communications

Work undertaken on IM&T through the merger will support the ongoing STP work and the digital transformation of the wider health and social care economy.

Capital and estates investment

Both the L&D and Bedford Hospital estates require considerable investment to make them fit for purpose and enable teams to maintain high quality, safe services for the future, in line with increasing patient demand and need. Capital investment across both sites is therefore essential to make the merger a success. Feasibility studies and separate business cases to ‘bid’ for this additional capital have been developed for consideration by NHSI, alongside the FBC.

The L&D’s investment plan proposes the development of an Acute Services block to house a new and modernised Delivery Suite, Neonatal Unit, Critical Care Unit and Operating Theatre facility.

Bedford Hospital’s investment plan proposes a relocation and redevelopment of A&E, alongside investments to replace the modular theatres with new facilities and build a multi storey car park.

Governance

The governance arrangements in place enable the Trust Board and Governors to ensure that high quality care is delivered and that there is a sufficient line of sight from “Board to ward”.

The new organisation will be supported by a governance and reporting structure that will take the best from both organisations in terms of assurance, accountability and allowing delegated clinical leadership to be both effective and meaningful. The new Trust will be bound by certain statutory

requirements around the constitution of a Foundation Trust. This includes the process of appointment to the new Trust Board and the Governors as well as the implementation of statutory reporting arrangements.

The governance arrangements will support the Trust through the transition and into the new organisation and allow the Board to be given the assurance required to comply with quality, financial and operational requirements of a Foundation Trust.

It is expected that there will be a transition period of 6-12 months before new arrangements are fully consolidated in line with changes as new structures are implemented.

Communications and engagement

A programme of staff and stakeholder communications and engagement activity was undertaken as part of the development of the FBC. This was aimed at helping people understand the rationale behind the proposal to merge and to provide reassurance around key concerns, as well as encourage feedback. This included ongoing staff and clinical engagement and meetings with external stakeholders including GPs, CCGs, local councils, Unions and the public.

Over recent years and leading up to the submission of the FBC, various engagement activities have helped give an oversight of the wider population's views about healthcare provision. **These have highlighted that the main priority for people is to have core hospital services accessible locally.** However, they may be prepared to travel further for specialist services. The merger proposal addresses these concerns and ensures that all decision making has remained patient-focussed and considers public views.

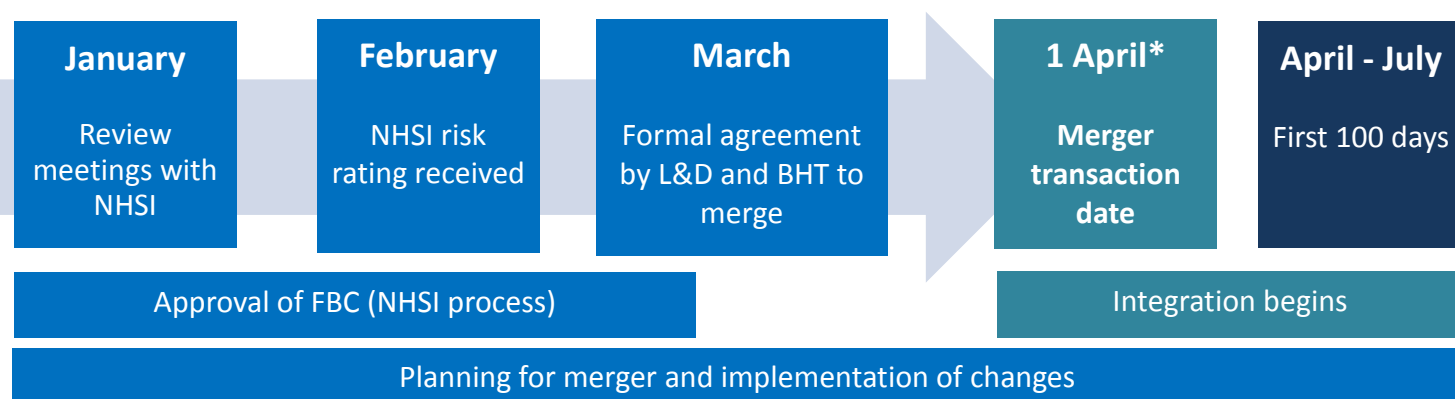
Weekly updates for staff continue to be sent as well as a monthly stakeholder update. Both hospital websites have a section for merger information, updates and events (www.ldh.nhs.uk and www.bedfordhospital.nhs.uk) and feedback is encouraged via email to merger@ldh.nhs.uk

6. What happens next?

The Trusts are now engaged in a review process and they continue to work towards the merger transaction taking place on 1 April 2018.

This means that preparation is now underway to ensure that a 'Safe for Day One' plan is tested and the transaction moves ahead with the full confidence of patients and staff. Also included is a detailed implementation plan which looks at the process beyond Day One and considers any risks to ensure that patients and services remain safe throughout the transition period.

See below key activity and timings:



* Subject to NHSI approval