

BARNET AND CHASE FARM HOSPITALS NHS TRUST

Created in 1999 following a merger of the former Chase Farm Hospitals and Wellhouse NHS Trusts, the Barnet and Chase Farm Hospitals NHS Trust (BCF) provides services at its two general hospitals in Barnet and Enfield and at four community hospitals in Barnet and Hertfordshire managed by other NHS bodies.

In July 2012 the BCF board concluded that it was not likely to become a foundation trust alone. It therefore invited competitive proposals from others to be its partner with a view to becoming part of a larger foundation trust. A number of organisations initially responded to the invitation, but by September the Royal Free was the single remaining candidate. The BCF board examined the Royal Free's case against its criteria, and then formally accepted the Royal Free as its preferred partner.

At the end of November 2012 NHS London approved the recommendation of the strategic outline case submitted by BCF that the Royal Free should be asked to 'proceed to develop an outline business case' for the acquisition. The term 'acquisition' is used because this would be a foundation trust acquiring the assets and liabilities of an NHS trust.

Since that decision the Royal Free has undertaken a first stage due diligence process. Over that same period the clinical leaders of the two trusts and the GP chair of one of the clinical commissioning groups have formed a group to identify the clinical benefits that could be derived were the two trusts' services to be brought together.

The two trusts, BCF's main commissioners and the NHS Trust Development Authority (TDA) – which, since 1 April 2013, has been the new body whose main purpose is to support all remaining NHS trusts to become foundation trusts - have formed a joint programme board to oversee the process.

At the end of February 2013 the Royal Free's board reviewed the information about BCF that it had gathered to date, and decided that it would proceed to the next stage, which is for an outline business case to be developed. If such a case proved viable, then it would be submitted to the TDA for consideration. The target date for this is August 2013, subject to the Royal Free's board authorising its submission at its July meeting.

Two groups, comprising clinicians from both trusts, continue to develop proposals for the larger organisation:

- a high level joint clinical working group chaired jointly by the two medical directors, with the chair of Barnet CCG and consultants and nurse directors from each trust; and
- a clinical project team, comprising consultants and others from each trust, whose role includes meeting with all clinical specialties to identify how to maximise the clinical benefits of the two organisations coming together.

Groups of the trusts' consultants and local GPs recently spent two days working on revised pathways for a range of specialties.

As with all proposed transactions involving NHS trusts, the TDA is the vendor on behalf of the Secretary of State for Health. The next formal decision points from the TDA's point of view are:

- outline business case – asking what in detail is the proposition, and whether it is the best available
- final business case – addressing the details left outstanding in the outline business case.

If the outline and final business cases are agreed by the Royal Free's board and approved by the TDA, Monitor (the regulator of foundation trusts) will examine the proposed transaction from the point of view of finance and governance risks.

The final decision on the transaction will be taken by the Secretary of State for Health, taking account of the TDA's and Monitor's recommendations. The aim is for the acquisition to come into effect in spring 2014.

Royal Free London NHS Foundation Trust
22 May 2013