

Item 5: Dartford and Gravesham NHS Trust and Medway Foundation Trust: Developing Partnership.

By: Tristan Godfrey, Research Officer to the Health Overview and Scrutiny Committee

To: Health Overview and Scrutiny Committee, 22 July 2011

Subject: Trust Mergers

1. Introduction.

- (a) Under the proposals contained within the Health and Social Care Bill, NHS Trust status will cease to exist. There is an expectation that NHS Trusts will become Foundation Trusts by 1 April 2014 and NHS Trust legislation would be repealed. However, the strict deadline has been removed to allow flexibility. The FT process will be overseen by Strategic Health Authorities until their abolition in April 2013 when a Trust Development Authority will continue this aspect of SHA work. The ten SHAs will cluster into a smaller number later this year¹.

2. Mergers involving a Foundation Trust²

- (a) Mergers involving one or more FTs are allowed under sections 27 and 28 of the Health and Social Care (Community Health and Standards) Act 2003. The approval of the Secretary of State for Health is required where one organisation is an NHS Trust. If the merger is authorised, the two applicant Trusts are dissolved and a new NHS Foundation Trust is created.

- (b) The merger assessment process is similar to the regular FT authorisation process with additions relating to the merger itself.

- (c) The steps on the merger assessment process are as follows:

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| Step 1 | Secretary of State must support the application to merge. |
| Step 2 | Public consultation. |
| Step 3 | Joint application to Monitor |
| Step 4 | Pre-approval by Monitor |
| Step 5 | Detailed review by Monitor |
| Step 6 | Authorisation to be an NHS foundation trust |

¹ Department of Health, *Government Response to the NHS Future Forum Report*, http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_127444

² Information from this section sourced from: Monitor, *Applying for a Merger involving and NHS Foundation Trust. Guide for Applicants*, July 2006, http://www.monitor-nhsft.gov.uk/sites/default/files/publications/Merger_guide_0.pdf

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Step 7 Secretary of State Order

- (d) As part of Monitor's assessment, the applicants for must be able to demonstrate that the merged entity will be able to meet the requirements with respect to:
- Legal constitution and taking steps to ensure representative membership;
 - Governance in accordance with best practice;
 - Financial stability and remaining a 'going concern'; and
 - Provision of mandatory services.