

Warwickshire Shadow Health and Wellbeing Board

24 January 2013

George Eliot Hospital NHS Trust Securing a Sustainable Future

Recommendation

The Shadow Health and Wellbeing Board is asked to note this update report.

1.0 Introduction

- 1.1 Following feedback and discussions regarding our plans, we are delighted to have received approval from NHS Midlands and East Strategic Health Authority to proceed with the procurement of a strategic partner. We have a firm vision for the future, and are looking forward to seeing what potential partners can offer. Regardless of the organisation which is chosen through this procurement process, it should be emphasised that staff and assets will remain a part of the NHS and patients will continue to receive NHS services.

2.0 Update

- 2.1 George Eliot's Board has agreed that it is in the best interests of the hospital, its patients and staff to seek a partner via a competitive procurement process. This enables both NHS and non-NHS healthcare providers to make proposals and for the Trust to ensure that it can choose the best solution to achieve clinical and financial sustainability.
- 2.2 An advertisement asking for formal applications from potential bidders will be placed in the Official Journal of the European Union (OJEU) and on the NHS Supply2Health website. A pre-qualification questionnaire (PQQ) will be issued to organisations registering an interest in partnering with the hospital, and through this questionnaire they will have to prove their capacity and capability to take part in the tendering process. The Trust will then select a number of organisations which will be asked to submit formal proposals.
- 2.3 The Trust has placed a strong emphasis on involving local people, including staff, patients and members of the public in this project. Following an options appraisal exercise involving members of the hospital's executive team, clinicians, staff representatives and colleagues supported by NHS Midlands & East Strategic Projects Team, a number of engagement events and visits to community groups in the local area were held to discuss the future of the hospital and address any other issues or concerns that people may have. This engagement will continue throughout the process.

3.0 Timescales associated with the decision/Next steps

The overall process, resulting in the selection of a preferred partner for the hospital, is expected to take about 12 months. Subsequently, there will be a requirement to obtain all the necessary approvals and to implement the change in organisational model depending on the solution and partner that is chosen.

This is a complex process and one that may be followed by other Trusts in the future, so we will continue to work closely with the new NHS Trust Development Authority (replacing the role of the SHA) and the Department of Health to ensure their support for actions at each stage.

4.1 Background Information

1. The Outline Business Case and other project documents are available from the Trust website at: <http://www.geh.nhs.uk/about-us/introduction-to-the-securing-a-sustainable-future-project/>
2. The Government requires all hospitals to reach Foundation Trust status but, like many other smaller district general hospitals, the George Eliot is unlikely to meet the required criteria on its own. So, last year, the hospital's management began to assess how it might best ensure that patients continue to receive the full range of high quality services they require.
3. The George Eliot Board is working with the Department of Health and the Strategic Health Authority, along with partners from the primary care cluster and local GPs. It is being supported by the Strategic Projects Team at NHS Midlands and East.
4. The proposal recommends a procurement process that will invite interested organisations from NHS and non-NHS organisations to submit proposals for two solutions – either an acquisition or an operating franchise. All bids must meet certain minimum requirements and will be evaluated against a common set of qualitative and financial criteria. The Trust is running an open and transparent tendering process.
5. A franchise is an organisational model that would involve GEH entering into a contract with a franchisee, NHS or non- NHS, for a set period of time, under which the franchisee would take full operational control of the hospital and accept all risks, including demand risk for the Trust's clinical services. A key feature of this approach is that the Trust would remain as an independent entity in its own right, continuing to enter into contracts and undertake 'business as usual', albeit that this will be under the direction of the franchisee. All staff and assets will remain within the NHS and there will be a Trust Board to ensure that the franchisee meets its obligations under the contract. A franchise could be operated by either an NHS or non-NHS organisation.
6. An acquisition would involve another NHS organisation taking over the activities of GEH and operating a single enlarged organisation. All assets,

staff and contracts transfer to the acquiring Trust. The Trust would remain a part of the NHS under this approach, albeit as part of another organisation.

7. Throughout the process George Eliot's board has remained clear of its continued desire to keep the door open to potential partners from both NHS and non-NHS organisations. This allows for the widest range of options for the future of the Trust to be considered.
8. GEH are being supported in this procurement process by NHS Midlands and East's Strategic Projects Team, which has experience of supporting and delivering innovation in the NHS through strategic change, divestment, acquisition and franchise.

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