



**Royal Brompton & Harefield**  
NHS Foundation Trust



**Guy's and St Thomas'**  
NHS Foundation Trust

**Update on the proposed merger between  
Royal Brompton & Harefield NHS Foundation Trust  
and  
Guy's and St Thomas' NHS Foundation Trust  
Autumn 2020**

## **1. Purpose**

- 1.1 The purpose of this report is to provide a progress update on merger proposals being developed by Royal Brompton & Harefield NHS Foundation Trust (RBHT) and Guy's and St Thomas' NHS Foundation Trust (GSTT).

## **2. Introduction and context**

- 2.1 RBHT is the largest specialist heart and lung centre in the UK providing services to adults and children from across the country, Europe and the world.
- 2.2 GSTT is one of the largest providers of specialised services in the UK. It provides a full range of hospital and community services for people in Lambeth, Southwark and Lewisham; and is a tertiary centre for cancer, renal, orthopaedic, paediatrics and cardiovascular, and many other specialist services.
- 2.3 GSTT is a partner in King's Health Partners (KHP), an academic health sciences centre for London that includes King's College London, King's College Hospital, and South London and Maudsley NHS Foundation Trusts.
- 2.4 KHP partnered with RBHT to develop proposals for a world-leading centre of clinical-academic excellence in cardiovascular and respiratory care, which they submitted in a joint response to NHS England's 2017 public consultation on proposals for future commissioning of congenital heart disease services. NHS England agreed to allow the Partnership sufficient time to develop detailed proposals for the future of these services. That work continues.<sup>1</sup>
- 2.5 In January 2020 after substantial work by the partners, the Board of NHS England (NHSE) indicated its support for the proposed direction of travel on proposed approaches on cardiovascular and respiratory services in London<sup>2</sup>, which included:
- Support for North West London (NWL) finalising its clinical strategy and business cases to provide fit for purpose facilities at St Mary's, Hammersmith and Charing Cross;
  - Developing proposals to move congenital heart disease (CHD) services from Sydney Street to Westminster Bridge, and achieve compliance with paediatric CHD service standards after estate developments at Evelina London; and
  - Proposals to secure a sustainable future for RBHT and continued delivery of world-class care by merging RBHT and GSTT.
- 2.6 In March 2020 the Boards of RBHT and GSTT set out a non-binding, mutual agreement to pursue a merger of the two organisations. After presenting options to the boards of RBHT and GSTT in July 2020, a merger through acquisition was agreed to be the best organisational route to provide a strong, sustainable and resilient platform from clinical and governance perspectives.

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<sup>1</sup> An update on this work is provided at Annex 2

<sup>2</sup> NHS England and NHS Improvement Board Meetings in Common – Minutes from the meeting 30 January 2020

- 2.7 Subject to receiving the necessary approvals from our Boards, councils of governors and regulators, and input from local stakeholders, we plan to be ready to merge our Trusts on 1 February 2021.
- 2.8 The merger would not directly affect the range of services available or the manner in which those services are provided to patients. The Trusts' public involvement and consultation duty<sup>3</sup> is therefore not triggered, however the Trusts fully intend to engage with stakeholders and governors throughout the process.
- 2.9 In December 2020, the boards and governors of both Trusts are expected to consider a motion to execute the merger transaction. In advance of that decision, the Trusts are required under the Transfer of Undertakings (Protection of Employment) Regulations (2006) (TUPE) to inform and consult affected staff in good time before the transfer happens. Formal staff consultation started on 01 October 2020 and will run for eight weeks.
- 2.10 The primary reason for pursuing this merger is our strong commitment to enhancing the healthcare we provide to our patients. The ambition of the merged organisation is to maintain and strengthen links with academic partners, to create the facilities, organisation and culture in which academic clinical services can flourish, and maximise our existing research strengths across basic science, clinical research and translation of new innovations and treatments. Our view of near, medium and longer term benefits is set out at Annex 1.

### **3. Impacts of the merger on management and operational capacity of GSTT**

- 3.1 Organisational mergers of any size require effort and have the potential to cause disruption. Our planning and considerations at every step of the project have taken account of the risks. We have focussed on the need for stability and continuity, selecting courses of action that minimise or remove the risk of disruption to patients and staff, and minimise impact on management and operational capacity.
- 3.2 The organisations are confident the proposed form of the merger limits the potential for disruption of any kind. Management structures, terms and conditions, clinical teams, clinical services and service locations would remain the same. It keeps together the long-established, highly-valued, RBHT multi-disciplinary teams that provide paediatric cardiac and respiratory care. This mitigates the potential for losing highly-trained members of our teams, which in turn provides continuity of care assurance to patients with conditions at the most complex end of the care spectrum.
- 3.3 Planning for a corporate merger is administratively complex. Corporate actions required include the agreement of contracts with commissioners, preparation of mid-year accounts followed by full year accounts for the merged Trust, and staff consultation. The

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<sup>3</sup> S242 NHS Act 2006 (as amended)

- merger has a dedicated programme management office (PMO) to provide the required capacity and co-ordination.
- 3.5 Management capacity in winter can be an issue for trusts considering mergers and transaction dates are sometimes brought forward or delayed to account for this. This year we have added challenges of Covid-19. We consider the merger has relatively low exposure to these capacity risks. We will keep timing under review.
- 3.6 Both boards recognise that our past and future successes depend upon our staff, and our ability to attract and retain talented people. We will engage extensively with staff as we develop plans. Staff will be deeply involved in co-creating approaches to integrate working practices and clinical services that are identified post-merger.
- 3.3 We have designed a phased approach to discovery and integration. Day 1 would include:
- Very limited management and reporting, financial and employment change, to ensure continuity and stability for RBHT employees and services;
  - RBHT transferring into GSTT in its entirety as a Strategic Business Unit (RB&H SBU) reporting to the GSTT board;
  - A revised GSTT Board and GSTT membership, along with other slightly modified governance structures and procedures; and
  - Plans initiated to revise GSTT Council of Governors (CoG) with elections to be completed.
- 3.7 The first 12 months would focus on the further development of working relationships, sharing best practice, and supporting staff across all sites through this change. After 6-12 months, strategic reviews would focus on further alignment and the development and co-creation of plans to deliver the very best environment for staff and patients.
- 3.9 To support staff through this period of change, an organisational development plan has been produced jointly by HR colleagues from both existing Trusts. The plan includes:
- Regular communications, briefings and sessions to keep staff informed of progress and to enable relationship building and sharing practices;
  - Supporting a high level of delegation to the RB&H SBU; recognising the successful and mature organisation and now business unit with a workforce that identifies strongly with the RB&H brand;
  - Coaching and mentoring support to enable RB&H SBU staff to understand and navigate GSTT and its systems; and
  - A framework to enable teams to align in an organisationally healthy way.
- 3.10 The extent and pace of health service transformation has accelerated due to the impact of the Covid-19 pandemic. It makes sense for staff to undergo the transition and the new merged organisation to be ready to play its part in the restoration of services impacted by Covid-19 pandemic.
- 3.11 RBHT and GSTT have made significant contributions to the treatment of patients infected with Covid-19, and have collaborated well together. The depth of collaboration

has been supported by the understanding that we are a partnership and that we are progressing towards formal merger.

#### **4. The merger transaction**

- 4.1 The Boards of RBHT and GSTT considered a number of organisational forms for closer joint working including making no changes, joining management and executive teams, a joint venture, and a formal merger. On balance they found a merger to be the most beneficial course of action. Further consideration led to the clear conclusion that a corporate acquisition (under section 56A of the NHS Act 2006) presents the best opportunity to deliver the merger of the two organisations quickly with no disruption to service, and much-needed, immediate certainty for RBHT staff.
- 4.2 NHSEI has a statutory role to approve mergers and acquisitions, ensuring transactions follow its processes and meet legal requirements. NHSEI has reviewed the strategic case and, understanding that work to develop proposals for changes to services provided by the Trusts is separate and will all be subject to appropriate statutory patient involvement and public consultation, has classified the merger as a 'material' transaction. As such the transaction will be self-certified at Trust Board level against a range of considerations stipulated by the regulator.<sup>4</sup>
- 4.3 Formal due diligence was commissioned and is being considered by the Transaction Group and both Trust Boards. We aim to be ready to safely execute the corporate transaction on 1 February 2021. A more protracted timescale risks a longer period of uncertainty for our staff, patients and system partners.

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<sup>4</sup> Transactions may be classed as 'material' or 'significant'. 'Significant' transactions require detailed review by the regulator.

## **1. Benefits of change**

### **1.1 The near-term (0-2 years) benefits include:**

#### **Patient benefits:**

- Combining the strengths in Extra Corporeal Membrane Oxygenation (ECMO) therapy of both Royal Brompton Hospital and St Thomas' Hospital to create a unique network of expertise for both severe acute respiratory failure and cardiogenic shock with world class outcomes.
- Delivering capacity and providing equity of access and outcomes to our patients by making more flexible use of the merged trust's estate and resource.
- Improving equity of access for patients by making an active contribution to two adult cardiac Operational Delivery Networks (ODN), and London Region NHS restoration plans.
- Standardising treatment for patients by accelerating the move to a single-service, two-site model for congenital heart disease, subject to NHS England consultation, including across our current CHD networks.

#### **Greater sustainability and resilience:**

- Working together on separation of Covid-19 positive and negative sites to maximise elective activity at Harefield and Guy's hospitals, and the Evelina London for children.
- Jointly planning and implementing a number of innovations, e.g. electronic healthcare record across the 4 hospital sites, transformation of ambulatory and out-patient models.

### **1.2 Medium term (2-6 years) benefits include:**

#### **Patient benefits:**

- All children's services being provided within the expanded Evelina London Children's Hospital, subject to appropriate consultation and business case approvals. This means care will be provided in a purpose-built, age-appropriate setting, with comprehensive on-site access to paediatric specialists for patients with complex care needs and comorbidities.
- Minimising unwarranted variation in care delivery by achieving single-service, multi-site care models for adults and children in a faster and with greater flexibility in resource and estate than would be possible without the merger.

#### **Greater sustainability and resilience:**

- Providing greater resilience, stability and flexibility across our workforce, bringing benefits in areas where there are skills shortages and hard-to-recruit roles, as well as improving staff development opportunities.

- Improved academic-research opportunities, streamlined governance and data sharing, and a substantially improved combined ability to deliver breadth and excellence in clinical research (measured by NIHR metrics).
- Quality and efficiency benefits derived from the implementation of an integrated leading-edge electronic healthcare record system.

1.3 Longer-term (6-10 years) benefits (subject to necessary business case approvals and consultations) would include:

Patient benefits:

- Consolidation of sub-specialties, improving patient outcomes.
- Critical mass and a centre of expertise for rare and complex conditions.
- Co-location of age-appropriate environments for young people adjacent to adult services on the same campus. This will promote continuity of care and ease transition into adult services.

Greater sustainability and resilience:

- New world-class, high-specification facilities at Westminster Bridge, providing an excellent environment in which to be treated, recover, work and learn. This is part of a longer term estates programme, supported by an improved financial position across the merged Trust.

## **2. Academic relationships / R&D**

2.4 The merger between GSTT and RBHT is an important step towards achieving our Partnership ambition of creating a new world-class academic health system for people of all ages with heart, vascular and lung diseases, working from prevention through to specialist treatment.

2.5 The two Trusts have strong track records of supporting academics and clinicians to work together to solve clinical problems.

2.6 Both GSTT and RBHT have multiple successful working relationships with numerous local and national partners across the health and life science ecosystem. When RBHT and GSTT merge, there is an opportunity to strengthen these relationships although initially, the day-to-day relationship management arrangements will not alter.

2.7 King's College London (KCL) is the main university partner of GSTT, and Imperial College London (ICL) is the main academic partner of RBHT. We believe the new specialist centre can continue to develop academic links with both (and other) leading universities.

## **The RBH-KHP partnership's vision for the future of children and adult cardiovascular and respiratory care**

1. Since late 2016 RBHT has been working with GSTT and the other organisations in the King's Health Partners (KHP) Academic Health Sciences Network to explore how they can bring together their clinical services, education and research in the areas of cardiovascular and respiratory healthcare.
2. The partners identified a rare opportunity to transform heart and lung disease prevention, treatment and research in London, the UK, and internationally. In July 2017 RBHT and KHP set out their ambition for joint working in this area, in response to NHS England's consultation on future commissioning arrangements for congenital heart disease (CHD) services. The submission explained how the partners would work together to meet the new paediatric CHD service standards, and how CHD services could be an integral part of a wider cardiovascular and respiratory partnership (RBH-KHP Partnership).
3. The partners set out a vision to transform the care of patients with cardiovascular and respiratory health conditions by creating a new academic health system that would touch the lives of up to 15 million people in London and the south of England.
4. Since then, the RBH-KHP Partnership has been working on plans to deliver this vision. This has included the publication of a feasibility study in 2018 and submissions to NHS England and Improvement to support their commissioning decision-making processes. Detailed work on proposals followed during 2019 when the cost, including capital developments, of pursuing the vision were reviewed. Clinicians and patients were involved in developing proposals. On an operational level, the partners have been taking practical steps to establish closer working practices since late 2018.
5. The Partnership's goal is to deliver the best cardiovascular and respiratory outcomes for patients, wherever they receive care, improving the health and wellbeing of the population throughout their lifetime.
6. Demographic change and technological developments mean that healthcare is evolving rapidly. The growing burden of respiratory and cardiovascular disease represents one of the most significant health challenges in the UK today. Respiratory and cardiovascular health outcomes in the UK lag behind those in Europe:
  - UK deaths from childhood asthma are the third highest in OECD<sup>5</sup> nations<sup>6</sup>
  - Compared to other European nations, almost double<sup>7</sup> the proportion of deaths are attributed to respiratory diseases in the UK.

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<sup>5</sup> Organisation for Economic Co-operation and Development

<sup>6</sup> Nuffield Trust. June 2017

<sup>7</sup> 13.4% in the UK, as compared to an average of 7.7% in the EU-28



- The UK has one of the lowest implant rates for cardioverter-defibrillators (ICDs) and pacemakers in Western Europe because many people are not diagnosed or treated.<sup>8</sup>
7. As more people live longer, a greater proportion have complex needs, often living with several chronic health conditions. This is changing the relationship they have with the health system. More patients are exercising greater choice over how and where their care is delivered, wanting to access services locally and to have their care managed at home. This is expected to grow over time, driven both by personalised medicine and widespread use of digital services and technology.
8. The RBH-KHP Partnership provides the opportunity to meet the challenges of the next decade. There are four parts to this opportunity:
- Clinical opportunity - The Partnership can address the high burden of cardiovascular and respiratory disease, and achieve the best outcomes for patients by using new treatments, leveraging scale, and collaborating between the Partnership organisations.
  - Academic opportunity - To pursue world-leading translational research that supports lifelong care, and to recruit, retain and educate the best clinicians and scientists.
  - Operational opportunity - To more effectively tackle capacity challenges, increase sustainability, and enhance education and training.
  - Financial opportunity - To deliver scale benefits and enhanced efficiency, unlock the value of our estate, and develop new models for sustainable funding.
9. The key features of our vision are:
- Consolidating and integrating specialist clinical care - greater scale will mean we will be able to dedicate more resources to sub-specialities and rarer conditions, giving more people access to newer treatments and clinical trials.
  - Delivering cutting-edge research, from basic science to implementation - we want to be a UK and world leader in cardiovascular and respiratory research using our scale and expertise to drive innovation to the benefit of people across the UK.
  - Attracting and training a world-leading clinical academic workforce - the vision presents significant opportunities to attract the best talent across all disciplines and train and develop the world-class clinicians and scientists of the future.
  - Collaborating across networks and partnerships - strong relationships at speciality, pathway, regional and national levels.
  - Cutting-edge technology, digital and innovation - access to advances in digital, data, and technology will play a crucial role in delivering our aims.
  - New organisational approaches - by combining expertise and collaborating we will be more successful in solving the challenges facing healthcare.
  - Delivering for all - improving care services for the 15 million people who live in the area we serve.

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<sup>8</sup> NICOR: Cardiac Rhythm Management Devices 2015-16