

Working for a
healthier Manchester.

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Mr Maxwell Harris
Principal Case Officer
Competition and Markets Authority

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Dear Mr Harris

Re: CMA Assessment of the merger between CMFT and UHSM

I am writing on behalf of the three Manchester CCGs as the commissioners of health care for the City. Attached is the evidence requested by the CMA. This letter adds the strategic context to the Trust merger.

The Manchester Health and Wellbeing Board leads strategy for the City. Its membership comprises commissioners, providers, voluntary sector and patient groups. It is Chaired by the leader of Manchester City Council. The Manchester strategy 'A Healthier Manchester' is the shared system transformation strategy for Health and Social Care. The transformation includes ambitious new models of care. The models of care are designed to improve population health, service quality and establish a financially sustainable system in the medium term. A strong feature within these is closer integration between providers to ensure more joined up and proactive care. It was clear that these new models of care require new organisational arrangements in the City. These comprise a single commissioning function for health and social care; a Local Care Organisation which will create a single contract holder for out of hospital services; and a single hospital service ensuring standardised, resilient and affordable secondary/tertiary care for the people of Manchester and neighbouring boroughs.

At the 11th November 2015 Health and Wellbeing Board the CCGs and the City Council requested the three hospital trusts within the City to bring back proposals to develop a single hospital service for the City of Manchester. This was part of our City strategy as well as the means of resolving historical problems of poor collaboration between the Trusts. It did not specify the organisational form but sought common standards, a means of working effectively together and a focus on the needs of the City.

Sir Jonathan Michael, supported by McKinsey, was commissioned by the Health and Wellbeing Board to undertake a review which was in two stages. Firstly, a report which set out the benefits of the three trusts working together and secondly an assessment of the best of governance for these benefits to be realised. The latter paper recommended the formation of a City Trust. Both papers were supported by Commissioners and the Health and Wellbeing Board.

We wish to see the formation of a single hospital Trust in Manchester. The merger of UHSM and CMFT forms the first step of this with North Manchester General transferring to the City Trust twelve to eighteen months later. This is both to realise the benefits as set out in Sir Jonathan Michael's report but also to mitigate historical problems between the City hospitals which have acted as a barrier to reform and delivery of optimal services.

There are clear benefits set out in Sir Jonathan Michael's first stage report. The benefits relating to quality, patient experience, workforce, financial and operational efficiency, research and education are compelling. A current investment proposition to the GM Health and Social Care partnership is in progress which sets out these benefits including a positive return on investment for the merger.

We have good working relationships with each of the Manchester Trusts. However, the effectiveness of working relationships between the trusts and/or connectedness to the Manchester strategy has hampered progress. UHSM and CMFT have struggled to form effective arrangements to collaborate where required. For example there were significant benefits in closer working in relationship to cardiac services. It took significant time and external facilitation to establish the MoU between the trusts. This agreement broke down almost immediately and benefits were not realised. North Manchester General, being part of Pennine Acute Trust, has often created a fragmentation between hospital services and other services within the City. It has also created problems of engagement in a clear City Strategy due an outward focus to the North East sector of Greater Manchester.

In summary we feel we need a strong and meaningful arrangement between the City's hospitals in order to create the transformation of services required, to ensure safe services and for an affordable system going forward. Since the intent was agreed to establish a single hospital service we have seen a sea change in the working relationships between the trusts. This won't in itself generate the means to fully implement our ambition, but cemented by the single governance and leadership created by a merger gives confidence of the benefit the merger will bring.

Yours sincerely,

Ian Williamson
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Chief Accountable Officer (Designate) Manchester Health and Care Commissioning



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