

Manchester City Council

3 April 2017

Proposed Merger of Central Manchester University Hospitals NHS Foundation Trust (CMFT) and University Hospital of South Manchester NHS Foundation Trust (UHSM)

I am writing on behalf of Councillor Bernard Priest, Deputy Leader of the Council, in response to your email to him of 24th March inviting the City Council to make a submission for the purposes of the CMA Phase 2 investigation into the proposed merger of CMFT and UHSM.

The Executive of the Council on 8th February endorsed this merger as part of a wider process to create a Single Hospital Service for the City of Manchester, the second part of which will be the acquisition of North Manchester District General Hospital (currently part of Pennine Acute Hospitals Trust) into the new Foundation Trust.

This proposal to bring hospital services within Manchester into a single organisation was recommended by an independent review commissioned by the Manchester Health and Wellbeing Board and led by Sir Jonathan Michael. The recommendation was endorsed by Manchester's Health and Wellbeing Board on 8th June 2016 and by the Executive of the Council on 29th June 2016.

The merger of UHSM and CMFT and the creation of the Single Hospital Service as a whole is being supported as part of a five year plan to make the health and social care system in the city financially and clinically sustainable. The plan represents the city's contribution to the Greater Manchester strategy for the reform of the region's health and social care system by 2021. The plan has three interdependent core components. The Single Hospital Service is one, the others are the creation of a single commissioning function for the city and a Local Care Organisation (LCO) for integrated delivery out-of-hospital services.

You will see from the work which UHSM and CMFT have completed since Sir Jonathan's review that there are significant benefits to patients from the implementation of new clinical service models and the rationalisation of clinical support and back office services. At the same time there are wider benefits that flow from the proposed merger being part of the Locality Plan as a whole. The City Council Executive at its meeting on 8th February decided that these wider benefits should be commended to you and to NHS Improvement to support your consideration of the proposed UHSM/CMFT merger.

Including the Single Hospital Service as part of the Locality Plan along with the single commissioning function and the LCO will facilitate the delivery wider benefits in the following ways:-

- It will be easier to connect hospital services to services in the community in ways that are simple to understand and that make sense to patients.
- The analysis we have produced shows how demand for hospital services will be reduced by better and more integrated services in the community.
- The creation of the Single Hospital Service will create the organisational scale needed to aggregate impacts making it easier to turn those reductions in demand into cashable savings.

I hope the above points are helpful to you.