

18 September 2017

To: Cygnet Cambian

Cc: Estelle Sanfourche

RE: Cygnet/CAS

Nicola

St Andrew's Healthcare supports the CMA's judgement that the proposed merger of Cygnet and Cambian could distort competition in Locked Rehab in the Midlands. We agree that divestiture is likely to be the most effective mechanic to address this issue and believe that the list of units identified is reasonable. Our only comments would be: given the recent consolidation in the private sector and the proposed sale of Huntercombe, there are a limited number of potential purchasers for the units as 1 lot. It would make sense to allow multiple purchasers and to consider, as a minimum, 1 purchaser for each of the West and East Midlands. In addition, constraints should be placed on the ability of any purchaser(s) to upgrade the facilities to Low or Medium Secure. This could undo the recent CMA rulings around reduced competition in secure Mental Health in the Midlands, following Acadia's purchase of Partnerships in Care and The Priory. This is particularly true of the Cygnet unit in Coventry.

While recognising the proposed merger of Cygnet and Cambian is a complex issue, St Andrew's believes that it would be in patients' and commissioners' best interests if things could be brought to a conclusion over the next 6 months. Uncertainty is poor for business and retards investment in improved patient care. Subject to the proposed divestments, the Cambian-Cygnet merger offers commissioners a strong national alternative to Acadia, alongside the emerging Elysium organisation and St. Andrew's Healthcare.

St Andrew's Northampton, Cliftonville, Northampton, NN1 5DG

www.standrewshealthcare.co.uk

Registered office: St Andrew's Healthcare, Billing Road, Northampton NN1 5DG. Charity no. 1104951