

March 8, 2001

CCP recommends that proposed merger of mental health trusts should not proceed

In concluding its review of the proposed merger of Norfolk and Waveney Mental Health NHS Foundation Trust (Norfolk and Waveney MHFT) and Suffolk Mental Health NHS Partnership Trust (Suffolk MHT) the Cooperation and Competition Panel (CCP) has found that that the proposed merger is not consistent with the Principles and Rules for Cooperation and Competition (Principles and Rules).

The CCP, in reaching its findings, considered the effect of the proposed transaction on patient choice and competition in mental health services in Norfolk, Suffolk and Great Yarmouth and Waveney Primary Care Trust (PCT) areas. Having found that the proposed merger is likely to have a material adverse effect on patient choice and competition in the area affected by the merger, the CCP examined whether it was likely that any patient and taxpayer benefits would accrue as a result of the transaction.

The Panel's report concludes that to the extent that the merger gives rise to potential benefits to patients and taxpayers, these benefits do not outweigh the adverse effects identified as arising from the proposed merger.

The CCP has therefore recommended that Monitor should not permit the merger to proceed.

CCP Director, Andrew Taylor, reported:

"The Panel found that, despite some evidence to the effect that Norfolk and Waveney FT could bring a range of expertise to the table in terms of improving services to patients at Suffolk MHT, overall the proposed benefits of the merger do not outweigh the long-term costs identified. To the extent that urgent improvements are required at Suffolk MHT, we agree that immediate steps should be taken to address these issues. However, we believe that this is a separate consideration to this merger. Long term structural change in the form of mergers, however well intentioned, is not always a ready solution when urgent measures are required".

CCP Panel Member, Professor Dame Janet Husband, commented:

"Patients' best interests must be paramount in any process of organisational change. In this case, the Panel carefully considered the proposed merger's potential to secure urgent and necessary improvements in the quality of care currently provided by Suffolk NHS Trust. The Panel concluded that a formal merger with Norfolk and Waveney MHFT was not the ideal means to addressing the pressing quality improvement and patient safety issues that may be present and may, in fact, detract from this important process."

ENDS

Notes to Editors:

1. More information on the case can be found on the CCP's website:
<http://www.ccp-panel.org.uk/cases/>

2. The *Principles and Rules for Cooperation and Competition* form the basis of the Department of Health's policy of managing cooperation and competition in the NHS in a fair, consistent and transparent manner. The Principles and Rules aim to ensure the NHS comprises providers and commissioners who deliver the needs of their patients and populations. The role of the CCP is to advise the Secretary of State for Health and Monitor, the independent regulator of Foundation Trusts, on the application of the Principles and Rules.

3. The CCP is supported by a Clinical Reference Group (CRG), chaired by CCP Panel Member, Professor Dame Janet Husband. The CRG provides expert clinical advice on issues under consideration by the CCP and contributes to the CCP's analysis of how cooperation, patient choice and competition can be effective in improving services for NHS patients and delivering value for taxpayers.

4. For inquiries about the Co-operation and Competition Panel contact Tom Frusher, Policy and Communications Director, on 0207 270 5442/07825 256 530 or visit www.ccp-panel.org.uk