



**FOR IMMEDIATE RELEASE**

30 June 2009

**CCP recommends merger of Barking & Dagenham community services and North East London Foundation Trust be allowed**

The Co-operation and Competition Panel (CCP) has recommended to Monitor that the proposed transfer of NHS Barking & Dagenham's community health services business to North East London Foundation Trust be allowed to proceed.

This recommendation follows a review of the proposed merger under the Principles and Rules for Cooperation and Competition.

CCP Chief Executive, Andrew Taylor commented:

"The CCP has found that the proposed merger will not impose any significant costs on patients or taxpayers by reducing the scope for patient choice or competition, and will benefit patients and taxpayers by allowing NHS Barking & Dagenham to focus on its commissioning responsibilities.

"Our review of recent tenders for community services in North East London and discussions with existing and potential community service providers indicates that there is a substantial number of possible providers of community services in Barking and Dagenham.

"As a result, the loss of North East London Foundation Trust as a potential provider of these services in competition with Barking & Dagenham community services is not significant.

"There is a risk that the commissioning contract with North East London Foundation Trust for community services that forms part of this transaction will delay the introduction of appropriate forms of patient choice and competition in community services compared to what would have otherwise occurred.

"However, we expect that NHS Barking & Dagenham will work in close cooperation with the London Strategic Health Authority (SHA) to minimise this risk by meeting the timetable that London SHA has set for developing its commissioning strategy for community services and working closely with London SHA on its implementation."

ENDS



Notes to Editors:

1. The CCP's report on this merger is available on the CCP's website at [www.ccp-panel.org.uk](http://www.ccp-panel.org.uk).
2. The Principles and Rules for Cooperation and Competition under which this merger has been assessed state that:
  - Mergers, acquisitions, de-mergers and joint ventures are acceptable and permissible when demonstrated to be in patient and taxpayers' best interests and there remains sufficient choice and competition to ensure high quality standards of care and value for money. (Principle 9)
  - Vertical integration is permissible when demonstrated to be in patient and taxpayers' best interests and protects the primacy of the GP gatekeeper function; and there remains sufficient choice and competition to ensure high quality standards of care and value for money. (Principle 10)
3. Further information on the CCP's approach to analysing mergers is available on the CCP's website.
4. Monitor will now consider the CCP's recommendation as part of its overall review of North East London Foundation Trust's proposed investment in Barking & Dagenham community services. The focus of Monitor's review is to assess the impact of the proposed transaction on the merged entity's ability to continue to comply with the terms of its Authorisation.
5. For further enquiries please contact Andrew Taylor on 020 7270 4889 / 07906 501 867 or at [andrew.taylor@ccpanel.gsi.gov.uk](mailto:andrew.taylor@ccpanel.gsi.gov.uk).