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Health and Adult Social Care Overview and Scrutiny Committee

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Establishing a Group between Medway NHS Foundation Trust and Dartford and Gravesham NHS Trust

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Summary

The purpose of this report is to:

- update the Committee on the outcome of an independent review into the potential benefits of closer collaboration between Medway NHS Foundation Trust and Dartford and Gravesham NHS Trust, and
- outline the proposed next steps for the development of a Group between the two trusts.

1. Recommendations

1.1. Members are asked to note the update.

2. Budget and policy framework

2.1. Under the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 the Council may review and scrutinise any matter relating to the planning, provision and operation of the health service in Medway. In carrying out health scrutiny a local authority must invite interested parties to comment and take account of any relevant information available to it, and in particular, relevant information provided to it by a local Healthwatch. The Council has delegated responsibility for discharging this function to this Committee and to the Children and Young People's Overview and Scrutiny Committee as set out in the Council's Constitution.

3. National context

- 3.1 In recent years national health policy has promoted greater collaboration between health and care system partners, including NHS trusts, for example through the introduction of provider collaboratives and a new legislative framework in the 2022 Health and Care Act.
- 3.2 Greater collaboration between NHS organisations underpins delivery of the NHS 10 Year Health Plan for England. This aims to deliver better and more sustainable care through three transformational shifts – from hospital to community, from analogue to digital and from treatment to prevention.

4. Organisational overview

- 4.1 Medway NHS Foundation Trust, which runs Medway Maritime Hospital in Gillingham, and Dartford and Gravesham NHS Trust, which runs Darent Valley Hospital in Dartford, are neighbouring acute hospital trusts.
- 4.2 Both trusts deliver a comprehensive range of acute, elective, and emergency services, serving diverse communities with some shared patient flows and overlapping catchment areas.
- 4.3 The two organisations serve a combined population of approximately 800,000 people across North Kent and Medway. Together they employ approximately 10,500 staff and have a combined operating budget of just over £1 billion.
- 4.4 The trusts are both members of the Kent and Medway Acute Provider Collaborative and signatories of the Kent and Medway NHS Strategy.

5. Current leadership arrangements

- 5.1 The trusts have shared a Chief Executive since April 2025, when Jonathan Wade, Chief Executive of Dartford and Gravesham NHS Trust, was appointed Interim Chief Executive of Medway NHS Foundation Trust. Leadership is supported by a Deputy Chief Executive at each trust.
- 5.2 Both organisations share Chairs with other Kent and Medway trusts. John Goulston, Chair of Medway NHS Foundation Trust is also Chair of Kent Community Health NHS Trust. Dr Jackie Craissati, Chair of Dartford and Gravesham NHS Trust, is also Chair of Kent and Medway Mental Health NHS Trust.

6. Drivers for change

- 6.1 Both trusts have great strengths and expertise and in recent years, have demonstrated commitment to partnership working — particularly in clinical services (including Rheumatology, Urology, Ear Nose and Throat, and Pathology), shared procurement, and workforce initiatives.

- 6.2 However, much of this collaboration has occurred on an ad hoc basis, sometimes without sufficient formal governance or long-term strategic alignment, which has led to mixed success.
- 6.3 The trusts also face converging challenges which include:
- rising demand from an aging population
 - long waits for treatment
 - variations in clinical outcomes
 - staffing pressures
 - fragmented digital systems
 - limited capital investment to invest in buildings and new equipment, and
 - significant underlying deficits.
- 6.4 In addition, Medway NHS Foundation Trust has had a high turnover of Executive Team members over the last 10 years. It has recently commenced a major programme to address significant and long-standing cultural challenges.
- 6.5 The two organisations also share the following interdependencies:
- patient flows across urgent, elective, and diagnostic services
 - shared medical and nursing workforce pools
 - common suppliers and contracting arrangements
 - aligned clinical transformation priorities (elective recovery, quality improvement and digital transformation), and
 - shared system objectives within the Integrated Care System (ICS) framework.
- 6.6 Given these synergies, maintaining separate leadership and governance structures creates duplication, inefficiency, and inconsistency.
- 6.7 While both trusts have achieved notable service improvements in recent years, the scale of challenge demands a structural approach beyond incremental improvement.

7. Review process

- 7.1 Earlier this year the NHS Kent and Medway Integrated Care Board (ICB) commissioned an independent review to explore the potential benefits and opportunities of greater collaboration between the two trusts.
- 7.2 This review, carried out by independent health specialists, also assessed what future governance and leadership arrangements would be required to realise any opportunities identified.
- 7.3 Senior clinical and non-clinical staff at both trusts, together with Medway's Council of Governors and local stakeholders, engaged with the review team to share examples of best practice and learning that has informed their analysis.

8. Review findings

- 8.1 The report found that the opportunities to collaborate are substantial and resonate with both organisations, with the potential to deliver real gains for the population of North Kent in terms of quality of care and patient outcomes.
- 8.2 It also found significant potential to improve efficiency and effectiveness of operations, enhance opportunities for staff and thus enable the ongoing efforts in both trusts to improve performance.
- 8.3 The review also considered which organisational structure would best achieve this. Options included:
- continuing with the current organisational structures
 - forming a group across the two trusts, and
 - merging into a new trust.
- 8.4 The review concluded that moving from informal collaboration to a formalised, governance-backed Group was the preferred option.
- 8.5 Group working is increasingly common in the NHS – across hospital, ambulance, community and mental health trusts – and is where two or more work closely together under a shared leadership team while remaining separate and independent organisations.

9. Next steps

- 9.1 The report's recommendations have been considered and approved by both Boards, and are supported by Medway's Council of Governors, Kent and Medway Integrated Care Board, and NHS England's South East Regional Team.
- 9.2 The recommendations are to:
- 9.2.1 **Develop a shared leadership team** – The trusts will develop a shared executive and non-executive leadership team across both trusts. This is the most effective way to share a strategic vision and maximise the benefits of collaboration.
- 9.2.2 **Appoint a Group Chief Executive and Group Chair** – The trusts will start by appointing a Group Chief Executive and a Group Chair.
- 9.2.3 **Establish site-based leadership** – The trusts will establish strong local leadership at Darent Valley Hospital and Medway Maritime Hospital to continue the improvement journey at both organisations.
- 9.2.4 **Develop a Group operating model** – The Group Chief Executive will lead the development of a group operating model which will determine how we will make decisions together, govern ourselves and agree shared priorities.

- 9.2.5 **Develop an organisational development programme** – The trusts will make sure there is an engaging organisational development programme in place that will lay the foundations of how we work together.
- 9.2.6 **Build on existing collaboration** – The trusts will collaborate in areas that will really make a difference, so we will start by building on where we already work together, and also work to harmonise support functions.
- 9.2.7 **Develop key strategies** – The trusts will develop a Group Clinical Strategy that identifies key areas where we can improve, overcome challenges and showcase excellence. They will also develop a Group Strategic Financial Framework that will outline steps to achieving sustainable services in the longer term.
- 9.3 For staff and patients, there will be no immediate changes to day-to-day services. Establishing the Group is about setting solid foundations for the future.

10. Anticipated benefits

10.1 The vision is for a clinically-led, financially sustainable, and digitally enabled Group that delivers outstanding, integrated care to the population of North Kent and Medway, ensuring every patient receives equitable, high-quality care regardless of geography.

10.2 Proposed clinical benefits:

- Reduced unwarranted variation through standardised clinical pathways and shared governance.
- Improved access and patient outcomes through joint service planning.
- Enhanced safety through shared learning, joint morbidity reviews, and quality improvement systems.
- Improved patient experience through listening to our patients and co-designing improvements to clinical pathways.

10.3 Proposed workforce benefits:

- Provide equity and equality for all staff through an open and transparent culture that enables staff to speak up and be empowered and engaged.
- Shared workforce planning and career development frameworks.
- Improved recruitment and retention through joint branding and training.
- Enhanced clinical leadership opportunities and cross-site collaboration.

10.4 Proposed operational benefits:

- Unified leadership and shared enabling services in key areas.
- Reduced duplication and more efficient use of resources.
- Streamlined decision-making and greater organisational agility.

10.5 Proposed financial benefits:

- Recurrent savings through economies of scale.
- Improved capital efficiency and purchasing power.
- Strengthened ability to attract external investment and transformation funding.

11. National and system alignment

11.1 Establishing the Group is directly aligned to key national NHS strategic policies and frameworks, including:

- 11.1.1 **The NHS 10 Year Health Plan for England:** supporting integration, prevention, and digitally enabled care.
- 11.1.2 **Provider Collaboration Guidance (NHS England, 2023):** encouraging formalised partnerships that improve system performance and resilience.
- 11.1.3 **NHS Operational Planning Guidance (2025/26):** focusing on elective recovery, urgent and emergency care performance, workforce sustainability, and financial balance.
- 11.1.4 **NHS People Promise:** promoting shared workforce planning, development, and compassionate leadership.
- 11.1.5 **Net Zero and Greener NHS Framework:** mandating carbon reduction through coordinated estate and procurement strategies.

11.2 The group approach creates a structure consistent with these objectives — ensuring that both trusts act as system partners within the Kent and Medway ICS, rather than as competitors for resources and staff.

11.3 It is also aligned with key system priorities. The Kent and Medway ICS aims to deliver 'One System, One Population, One Budget', supporting population health improvement and system sustainability.

11.4 The Group is an enabling mechanism to deliver the ICS's five strategic aims:

- 11.4.1 **Improved population health:** By standardising care and strengthening preventative services across North Kent and Medway.
- 11.4.2 **Tackling health inequalities:** By ensuring equitable access and outcomes across catchment areas.
- 11.4.3 **Enhancing quality and productivity:** Through shared governance, data-driven improvement, and efficiency in service delivery.
- 11.4.4 **Supporting economic sustainability:** By releasing savings and reinvesting in clinical priorities.

- 11.4.5 **Building workforce resilience:** By sharing talent pipelines, training opportunities, and leadership capacity.
- 11.5 The Group will operate within and contribute to the wider system architecture, ensuring alignment with ICB objectives, provider collaboratives, and neighbourhood-level care integration.
- 11.6 Engagement will include Primary Care Networks, community providers, and the ICS to strengthen system collaboration and ensure that the model supports integrated care delivery.

12. Strategic outcome

- 12.1 The trusts aim to establish a unified, resilient Group capable of delivering improved quality, efficiency, and financial sustainability.
- 12.2 The Group will work in partnership with the emerging neighbourhood health model for North Kent and Medway and our local authorities as they move to a new unitary structure, to improve the overall health and wellbeing of our population and reduce health inequalities.

13. Governance and risk management

- 13.1 To ensure the anticipated benefits of the Group are identified, quantified, tracked, and delivered over a proposed three-year implementation period, an implementation plan will be developed that will define clear ownership, baselines, performance measures, and reporting structures.
- 13.2 This will focus on the following three key areas:
- quality and clinical outcomes
 - workforce and culture, and
 - operational and financial performance.
- 13.3 The governance will be based on the following principles:
- 13.3.1 **Clarity of accountability:** Each Trust Board remains legally responsible for its organisation.
- 13.3.2 **Shared leadership:** A single Group Executive team provides operational and strategic alignment.
- 13.3.3 **Transparency:** Shared data, joint reporting, and aligned assurance.
- 13.3.4 **Subsidiarity:** Decisions made at the most local appropriate level.
- 13.4 The Group will operate within a robust risk management framework consistent with NHS England standards. Risks will be logged, scored, and monitored via a shared risk register with regular oversight by the Programme Board and both Trust Boards.

14. Consultation

- 14.1 The trusts are at the beginning of a journey to establish the Group. This will take time and implementation will be phased.
- 14.2 Throughout the development of the Group and its priorities, the trusts are committed to listening to staff, patients and partners, continuing to engage with this Committee, and learning from experience elsewhere, so that the right decisions are taken, at the right time, to benefit staff, patients and local communities.

15. Climate change implications

- 15.1 The development of the Group is aligned to delivery of Net Zero and Greener NHS Framework which mandates carbon reduction through coordinated estate and procurement strategies.

16. Financial implications

- 16.1 There are no direct financial implications for the Council arising from this report.
- 16.2 Both trusts currently operate under deficit positions, with system control totals requiring substantial recovery plans.
- 16.3 A Group approach will enable resource optimisation, cost avoidance, and reinvestment into frontline services.
- 16.4 Financial oversight will be managed through a Group Finance and Performance Committee reporting to both Trust Boards.

17. Legal implications

- 17.1 There are no direct legal implications for the Council arising from this report.
- 17.2 Each Trust will retain:
 - statutory accountability for CQC registration and compliance
 - independent external audit and annual report, and
 - separate Foundation Trust membership (for Medway NHS Foundation Trust).
- 17.3 The Group will operation under a Memorandum of Understanding, formalised via aligned Schemes of Reservation and Delegation (SoRD).

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Appendices

None.

Background papers

None.