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Health and Adult Social Care Overview and Scrutiny Committee

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Proposed Integration between Kent Community Health NHS Foundation Trust and Medway Community Healthcare Community Interest Company

Report from: Mairead McCormick, Chief Executive, Kent Community Health NHS Foundation Trust

Martin Riley, Managing Director, Medway Community Healthcare CIC

Authors: Clare Thomas, Deputy Chief Operating Officer Kent Community Health NHS Foundation Trust and Interim Chief Operating Officer, Medway Community Healthcare CIC

Julia Rogers, Director of Communications and Engagement, Kent Community Health NHS Foundation Trust

Hilary Robinson, Head of Communications, Medway Community Healthcare CIC

Summary

This report provides an update on the proposed integration between Kent Community Health NHS Foundation Trust (KCHFT) and Medway Community Healthcare CIC (MCH). The proposal involves the transfer of MCH staff and services into KCHFT, forming a single NHS Foundation Trust to deliver more sustainable, integrated community services across Kent and Medway.

A Full Business Case (FBC) was submitted to NHS England in April 2026, with final approvals expected from NHS England at the end of June. On 2 June, an advisory shareholder vote of MCH staff took place, with 88 per cent in favour of the integration and MCH Board agreed to progress.

KCHFT and MCH Boards will meet in September 2026 for final assurance, with a planned integration date of 1 October 2026.

Attached to the report is a completed substantial variation assessment for the Committee to consider.

1. Recommendations

1.1. The Committee is asked to note the update on the proposed integration of Kent Community Health NHS Foundation Trust (KCHFT) and Medway Community Healthcare CIC (MCH) and the substantial variation assessment attached at Appendix 1 to the report.

1.2. The Committee is asked to decide whether these proposals constitute a substantial variation or development in the provision of health services in Medway.

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.

3. Background and strategic rationale

3.1 The core strategic rationale for integration continues to be driven by increasing demand and complexity across services, alongside significant health inequalities across the Kent and Medway geography. In addition, both organisations continue to experience workforce fragility, including recruitment and retention challenges within specialist services, and ongoing financial pressures facing the wider Kent and Medway system. These factors collectively reinforce the case for integration as the preferred option to support sustainable, high-quality community services.

3.2 Since the previous report, more detailed modelling has also been undertaken to support:

- workforce sustainability;
- financial and operational efficiencies; and
- digital and service integration.

3.3 Collectively, these factors continue to underpin the case for integration as a means of supporting more sustainable, resilient and high-quality community services for patients and the local population.

3.4 This work also demonstrates how integration will support a more proactive, population health-based approach to care delivery. By bringing services together within a single organisation, there is greater opportunity to identify need earlier, intervene sooner, and target resources more effectively to those communities experiencing the greatest health inequalities across Kent and Medway.

4. Benefits and risks

4.1 The four benefit groupings remain unchanged since the March report; however, further detail has been developed through the Full Business Case in relation to how these benefits will be delivered in practice.

4.2 This includes a clearer focus on improved digital integration and data sharing, the development of more resilient workforce models across services, reducing duplication and delivering more consistent clinical pathways, and identifying opportunities to optimise the estate and strengthen purchasing power.

4.3 In addition, since the previous report, there has been greater emphasis on ensuring service continuity throughout the transition period. This work is also aligned with wider system transformation priorities across Kent and Medway, supporting the overall ambition to improve outcomes and reduce variation for local populations.

4.4 In practice, the proposed integration is expected to deliver a number of tangible benefits for the population of Kent and Medway:

- **Improved access to services:** through more coordinated pathways, reduced duplication in referral processes, and better alignment with primary care, enabling patients to access the right care more quickly.

- **More joined-up care:** by developing Medway as a multi neighbourhood with primary care, mental health, local authorities and voluntary, community and social enterprise orgaisations (VCSEs), reducing the need for patients to navigate multiple organisations, repeat their information, or experience fragmented care across service boundaries.

- **Greater consistency in service delivery**: ensuring that patients receive equitable standards of care regardless of location, helping to reduce unwarranted variation across Medway and the wider system.

- **Enhanced workforce resilience:** building a workforce model that increases employment opportunities for those from areas of deprivation and enabling more flexible deployment of staff, improved career development opportunities, and more sustainable staffing models, particularly within hard-to-recruit services.

- **Better use of digital and data:** supporting improved information sharing between teams, reducing delays, and enabling more proactive management of patient care while reducing unnecessary administration processes through automation to release more time to care.

4.5 In addition, integration will support system-wide benefits, including strengthened collaboration with partners, improved alignment with Kent and Medway Integrated Care Board priorities, and increased capacity to deliver transformation at scale.

4.6 These benefits are expected to contribute to improved patient outcomes, reduced health inequalities, and a more sustainable community services model over the long term.

4.7 A public facing summary of the full business case can be found in Appendix 2.

5. The benefits of Medway as a multi-neighbourhood

5.1 As part of the work to define a future neighbourhood care model, Kent and Medway Neighbourhood Health Board, inclusive of all system partners, has confirmed that Medway will be established as a multi-neighbourhood against the national framework for neighbourhood health. This means that community services will continue to be delivered on this footprint with increasing emphasis on working with primary care and supporting communities. This strategic direction will support the integrated organisation to ensure that Medway services continue to be delivered locally.

5.2 For residents, this means services will remain locally delivered, but with greater clinical and operational support from a larger organisation. This will help ensure that services are more resilient, less reliant on single teams or locations, and better able to respond to changing local needs over time.

5.3 Importantly, the integration is not intended to centralise care, but rather to strengthen local provision by enabling services to operate as part of a more coordinated and supported system.

5.4 Protecting and supporting the workforce remains a core priority. Staff transferring under TUPE arrangements will retain their existing terms and conditions, and additional support is being provided through engagement, communications and transition planning to ensure continuity of care and staff wellbeing.

5.5 A structured benefits realisation framework has been developed as part of the Full Business Case. This will track delivery of key benefits across a number of domains, including:

- Access to services (e.g. waiting times and timeliness of care);
- Patient experience and satisfaction;
- Workforce stability and vacancy rates; and
- Service consistency and reduction in variation.

5.6 Regular reporting against these metrics will be embedded within organisational governance and shared with system partners to ensure transparency and oversight.

6. Options

6.1 The main options considered were to proceed with the proposed integration of Medway Community Healthcare CIC into Kent Community Health NHS Foundation Trust, or to maintain the current organisational arrangements. Maintaining the status quo would avoid short-term disruption but would not

address the underlying challenges relating to workforce sustainability, increasing demand, financial pressures and service fragmentation. By contrast, integration provides the opportunity to improve resilience, reduce duplication and deliver more coordinated, consistent care for patients. On this basis, proceeding with integration is the preferred option as set out in the Full Business Case.

7. Engagement with patients and public

7.1 Feedback remains broadly consistent with that reported previously. Partners continue to express support for the proposed integration in principle, recognising its alignment with wider system priorities across Kent and Medway. Engagement with system partners has been ongoing throughout the programme and has included structured briefings, roundtables and bilateral discussions to support alignment and provide opportunity for feedback. Engagement with Medway Council is also being progressed, with further discussions planned to ensure alignment with local authority priorities and to provide additional assurance regarding the impact on local residents.

Patient and public engagement and feedback

7.2 A structured programme of public and stakeholder engagement has been undertaken to inform the development of the proposed integration. This has included:

- an online public survey with 240 responses;
- targeted discussion groups with residents;
- a multi-agency public stakeholder event held in Medway; and
- engagement with patients, carers, voluntary and community sector organisations, local authority representatives and NHS partners.

7.3 This approach has provided a broad and representative insight into the experiences, priorities and concerns of people using community health services across Kent and Medway.

7.4 Feedback consistently highlighted that while many people value the quality of care provided, there are significant challenges in accessing and navigating services. Key themes included:

- long waiting times and difficulty accessing services;
- fragmented pathways and poor coordination between teams;
- lack of clear information about available services; and
- variation in service provision across different areas.

7.5 There was strong and consistent support for improvements in:

- easier access to services;
- more joined-up care and shared records;
- clearer communication and navigation; and
- services delivered closer to home.

7.6 Views on the proposed integration were mixed. Some respondents identified potential benefits, including reduced confusion, greater consistency across Kent and Medway, and improved resilience. However, support was often conditional, with people seeking clear evidence that integration would result in tangible improvements for patients.

7.7 The main concerns identified through engagement included:

- the potential loss of local services or increased travel distances;
- longer waiting times due to increased demand;
- loss of local identity and personalised care;
- workforce pressures and impact on service quality; and
- lack of clarity about the purpose and benefits of the change.

7.8 There was also a clear expectation that engagement should continue and that the public should have ongoing opportunities to influence how integration is implemented.

7.9 Public feedback has directly influenced the development of the proposed integration. In particular, it has reinforced the importance of:

- maintaining services locally and avoiding centralisation;
- strengthening neighbourhood and community-based models of care;
- improving access, communication and coordination between services;
- prioritising reduction in unwarranted variation across Kent and Medway; and
- ensuring clear, transparent communication about what will change and when.

7.10 There is a continued commitment to engage with patients, carers and the public throughout the transition and post-integration period. Future engagement will focus on:

- providing clear information on service changes and timelines;
- targeting seldom-heard groups and those with complex needs;
- demonstrating how feedback is influencing decision-making; and
- maintaining open and transparent communication throughout implementation.

7.11 A full report of the patient and public engagement and next steps is included at Appendix 3. This programme of engagement is considered proportionate to the nature of the proposal, which does not involve immediate changes to service delivery, locations or access arrangements, but provides a strong foundation for ongoing co-design as the integration progresses.

8. Staff engagement and feedback

8.1 A comprehensive programme of staff engagement has been delivered throughout the development of the proposal to ensure awareness, understanding and opportunities for feedback.

8.2 Engagement has taken place in phases, reflecting the development of the programme from early exploration through to formal decision-making. The initial phase of engagement, undertaken between July 2025 and March 2026, focused on building awareness, understanding staff priorities and identifying potential risks and opportunities. This included an all-staff survey (262 responses), large-scale staff conferences and council sessions, executive-led engagement events, webinars, roadshows and direct team-level discussions.

8.3 Since this initial phase, engagement has progressed to include more formal mechanisms for capturing staff views. As part of MCH's social enterprise governance model, an advisory shareholder vote took place at a Special General Meeting on 2 June 2026. This represented a significant milestone, providing a formal mechanism for staff to express their views on the proposed integration and informing the MCH Board's decision-making alongside the Full Business Case and wider engagement feedback.

8.4 Staff engagement activity has included:

- **Executive-led virtual engagement (April 2026):** A 'town hall' style session providing updates and an open forum for staff questions and discussion.
- **Face-to-face Executive roadshows (May 2026):** Drop-in sessions focused on the integration and shareholder vote, open to all staff.
- **Executive attendance at team meetings:** Direct engagement with teams to provide updates and respond to queries.
- **Regular manager briefings:** Cascade of key information through leadership channels.
- **Dedicated intranet resource:** A centrally accessible page hosting all relevant documentation and updates.
- **Central enquiries mailbox ('grapevine'):** Established for staff to submit questions and receive timely responses.
- **Digital engagement via staff Facebook group:** Regular updates and ongoing opportunities for discussion and feedback

8.5 Shareholder engagement activity has highlighted the following key themes:

- **Clarity of alternative options:** Staff expressed concerns regarding the extent to which alternative options to integration had been fully articulated. In response, a summary of the original Board options appraisal was shared with staff to provide additional context.

- **Personal impact ('what it means for me'):** There continues to be a strong focus on individual implications. Communications have emphasised protections under TUPE arrangements, including transfer on existing terms and conditions ('as is'), alongside assurances regarding the continued focus on meeting the needs of the Medway population.

- **Operational readiness ('day one' concerns):** Staff raised practical concerns relating to systems, devices, and access to digital infrastructure. Mitigation planning is ongoing, with consideration being given to

implementing elements of system alignment in advance of any formal transfer, should the integration proceed.

8.6 There is also a strong focus on ensuring that patient care quality is maintained throughout the transition period, with staff seeking assurance on how risks to service delivery will be mitigated and how they will be supported to deliver safe, effective care.

8.7 The proposed integration is designed to respond directly to this feedback by creating the conditions for more streamlined pathways, improved communication between services, and a more coordinated patient experience.

8.8 **Advisory vote:** As part of MCH's social enterprise model, staff are offered membership (shareholding) of the organisation, enabling them to engage in governance and influence decision-making. **An advisory staff shareholder vote** took place at a Special General Meeting on 2 June 2026, following a period of proxy voting which opened on 1 May. This vote formed a key element of the engagement approach and provided a formal mechanism for staff to express their views on the proposed integration. The outcome of the vote was considered by the MCH Board as part of its overall decision-making process. From the shareholder vote, 88 per cent of staff voted in favour of the proposal.

8.9 **Communications, engagement and assurance:** Engagement activity undertaken since the March report has reinforced the importance of maintaining clear, consistent and transparent communications throughout the integration process.

8.10 A structured communications and engagement approach has been developed, including:

- stakeholder briefings and system-wide engagement;
- formal and informal staff engagement channels; and
- clear and consistent patient-facing communications.

8.11 There is a continued emphasis on providing reassurance to staff, patients and stakeholders, particularly in relation to service continuity and the stability of care provision during the transition. There is a continued commitment to maintaining regular updates and ongoing engagement through both formal mechanisms (such as committee reporting and structured briefings) and informal routes, ensuring responsiveness to emerging issues throughout the integration period.

8.12 A key principle of the proposed integration is to ensure that **Medway's voice and local influence remain strong within the new organisation**. This will be reflected in the governance arrangements, including plans to strengthen representation from Medway through the appointment of a **dedicated public governor and a staff governor**. Alongside this, the operating model retains clear place-based leadership for Medway, ensuring that local priorities, partnerships and community needs continue to shape decision-making. This approach provides assurance that integration will not dilute local identity, but

will instead reinforce Medway's influence within a larger, more resilient organisation.

8.13 In parallel, there has been a strong and consistent focus from KCHFT leadership on recognising and preserving the distinctive strengths of Medway Community Healthcare. This includes its culture, community focus, innovative approaches and strong local relationships. There is a clear commitment to retain and build on the "MCH-ness" that staff and partners value, with a deliberate approach to learning from existing models of care, sharing best practice and embedding innovation within the future organisation. This ensures that integration is not about replacing what exists, but about bringing together the best of both organisations to improve outcomes for patients and communities.

9. Advice and analysis

9.1 The proposed integration between Kent Community Health NHS Foundation Trust (KCHFT) and Medway Community Healthcare CIC (MCH) represents a planned and proactive response to the increasing pressures facing community health services across Kent and Medway.

9.2 The Full Business Case demonstrates that integration is the preferred option to deliver sustainable, high-quality and equitable community services, while maintaining continuity of care for patients. The evidence indicates that the proposal will strengthen service resilience, improve coordination of care and support better outcomes for local populations.

9.3 The proposal supports long-term sustainability by addressing increasing demand, workforce pressures and financial constraints across community services. Integration will strengthen workforce resilience, reduce duplication and enable more coordinated, population-based care. It can be delivered within existing resources and provides a more stable organisational model to sustain and improve services over time.

9.4 The Equality and Diversity Impact Assessment indicates that the proposal is expected to have an overall positive impact by reducing health inequalities and improving equitable access to services. Integration will support more consistent care, better coordination for people with complex needs, and improved targeting of resources towards disadvantaged communities. There are no planned changes to service locations, which mitigates potential impacts on access; however, ongoing monitoring and engagement will ensure that any unintended impacts on specific groups are identified and addressed.

10. Risk management

10.1 While risks identified in the March report remain valid, further work has been undertaken to strengthen mitigation planning. This includes enhanced programme governance and oversight, detailed delivery planning within the Full Business Case, and clear implementation arrangements to support a safe and timely transition. Specific focus has been given to cultural integration, workforce retention and support, digital and data alignment, and maintaining

business-as-usual (BAU) performance. These risks are actively managed through structured programme management, clinical governance arrangements and a phased “safe transfer” approach, ensuring that patient safety, service continuity and organisational stability are maintained throughout.

10.2 In addition, greater emphasis has been placed on managing the risks associated with misinformation and potential staff anxiety during the transition, as well as the risk of perceived service disruption or public concern. These risks are being actively addressed through a structured and comprehensive communications approach, focused on providing clear, consistent and timely information to staff, patients and stakeholders.

11. Climate change implications

11.1 The proposed integration is not expected to result in any significant negative climate change impacts. There may be some positive implications over time through reduced duplication, more efficient use of estate and resources, and increased use of digital systems, which could reduce travel requirements for staff and patients. Any potential impacts will be monitored through implementation, with opportunities taken to support more sustainable service delivery wherever possible.

12. Financial implications

12.1 The Full Business Case demonstrates that the proposed integration can be delivered within existing resources and represents good value for money. The proposal is not expected to require additional capital funding and can be funded through existing revenue allocations. Integration will support financial sustainability through reduced duplication, more efficient use of workforce and corporate functions, and improved productivity.

12.2. There are no plans to reduce funding or services within Medway as a result of the proposal. Maintaining the current position would be likely to increase financial risk over time due to ongoing workforce pressures, rising demand and system-wide financial constraints.

13. Legal implications

13.1. The proposed integration will be subject to approval by NHS England and must comply with relevant NHS transaction guidance and regulatory requirements. In addition, the transfer of staff from MCH to KCHFT will be undertaken in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), ensuring that staff terms and conditions are protected.

14. Substantial developments or variations

14.1 The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 place a duty on NHS bodies and health service providers to consult health scrutiny committees on any proposal which they have "under consideration" for a substantial development of or variation in the provision of health services in the local authority's area. This obligation requires notification and publication of the date on which it is proposed to make a decision as to whether to proceed with the proposal and the date by which Overview and Scrutiny may comment.

14.2 The term "under consideration" is not defined and will depend on the facts, but a development or variation is unlikely to be held to be "under consideration" until a proposal has been developed.

14.3 Where more than one local authority has to be consulted under these provisions those local authorities must convene a Joint Overview and Scrutiny Committee for the purposes of the consultation and only that Committee may comment. Kent's Health Overview and Scrutiny Committee has not deemed the proposals as a substantial variation or development.

14.4 Revised guidance (Planning, assuring and delivering service change for patients) for health service Commissioners on the NHS England assurance process for service changes was published in March 2018. The guidance states that broadly speaking, service change is any change to the provision of NHS services which involves a shift in the way front line health services are delivered, usually involving a change to the range of services available and/or the geographical location from which services are delivered.

14.5 The NHS England guidance acknowledges that the terms "substantial development" and "substantial variation" are not defined in the legislation. Instead, commissioners and providers are encouraged to work with local authorities to determine whether the change proposed is substantial thereby triggering a statutory requirement to consult with Overview and Scrutiny.

14.6 The NHS England guidance also states that public consultation, by commissioners and providers is usually required when the requirement to consult a local authority is triggered under the regulations because the proposal under consideration would involve a substantial change to NHS services.

14.7 However, public consultation may not be required in every case, sometimes public engagement and involvement will be sufficient. The guidance says a decision around this should be made alongside the local authority.

14.8 Government Guidance on Local Authority Health Scrutiny says that constructive dialogue with health scrutiny when communicating on timescales for comments or decisions in relation to substantial developments or variations should help ensure that timescales are realistic and achievable. In addition, the Guidance says, "it is sensible for health scrutiny to be able to

receive details about the outcome of public consultation before it makes its response so that the response can be informed by patient and public opinion".

Timescales for consultation

14.9 The proposer of substantial developments or variations must notify the Committee of the timescales, which must be published. When consulting on substantial developments or variations, a relevant NHS body or health service provider must notify the Committee of the date by which it requires the Committee to provide comments in response to the consultation and the date by which it intends to make a decision as to whether to proceed with the proposal. These dates must also be published. This is so that local patients and communities are aware of the timescales that are being followed. Any changes to these dates must be notified and published.

When consultation is not required

14.10 Government guidance says that there are certain proposals where consultation with health scrutiny is *not* required. These are:

- Where the relevant NHS body or health service commissioner believes that a decision has to be taken without allowing time for consultation because of a risk to safety or welfare of patients or staff (this might for example cover the situation where a ward needs to close immediately because of a viral outbreak) – in such cases the NHS body or health service provider must notify the local authority that consultation will not take place and the reason for this

- Where there is a proposal to establish or dissolve or vary the constitution of a CCG (*now the ICB*) or establish or dissolve an NHS trust, unless the proposal involves a substantial development or variation.

- Where proposals are part of a trust's special administrator's report or draft report (i.e., when a trust has financial difficulties and is being run by an administration put in place by the Secretary of State) – these are required to be the subject of a separate 30-day community-wide consultation.

Responses to consultation

4.11 Where the Committee has been consulted on substantial developments or variations, it has the power to make comments on the proposals. Where the Committee makes a recommendation and the consulting organisation disagrees with that recommendation, that organisation must notify the Committee of the disagreement. Both the consulting organisation and the Committee must take such steps as are reasonably practicable to try to reach agreement.

Referrals to the Secretary of State

4.12 The Health and Care Act 2022, amended Schedule 10A of the National Health Service Act 2006 and gave the Secretary of State (SoS) a new power of intervention in the operation of local health and care services. (Previously the SoS was only able to intervene after a referral from a local authority).

4.13 Under the new arrangements if the Committee has concerns about the adequacy of change plans, it could ask the Secretary of State to use their power to intervene. The Secretary of State's powers to "call in" proposals will only be used as a last resort, and only when they consider that local methods for resolution have been exhausted.

4.14 Government guidance says:

"Local organisations are best placed to manage challenges related to NHS reconfiguration. A call-in request is highly unlikely to be considered by the Secretary of State before:

- NHS commissioning bodies and local authorities have taken all reasonable steps to try and resolve any issues
- those making a request or others have tried to resolve any concerns through their local NHS commissioning body or have raised concerns with their local health overview and scrutiny committee".

4.15 Where a proposal is "called in", the Secretary of State will consult stakeholders, including local authorities, in considering how the intervention power should be used. The power of the Secretary of State to take decisions under this power includes:

(a) the power to decide whether a proposal should, or should not, proceed, or should proceed in a modified form;
(b) the power to decide particular results to be achieved by the NHS commissioning body in taking decisions in relation to the proposal;
(c) the power to decide procedural or other steps that should, or should not, be taken in relation to the proposal;
(d) the power to retake any decision previously taken by the NHS commissioning body.

4.16 When a notice is issued by the Secretary of State using their power of intervention, the relevant body must comply with that notice. The Committee must be asked for their views before the Secretary of State makes a decision.

Lead officer contact

Mairead McCormick, Chief Executive, Kent Community Health NHS Foundation Trust. mairead.mccormick1@nhs.net

Martin Riley, Managing Director, Medway Community Healthcare CIC. martin.riley@nhs.net

Appendices

Appendix 1 – Substantial Variation Assessment
Appendix 2 – summary of full business case
Appendix 3 – patient and engagement report

Background papers

There are none