

Change of control of AT Medics Ltd – Questions and Answers

Version 1.1

Last updated: 15 April 2024

Please note that the following information is subject to change and will be updated periodically.

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Overview

1. What did NCL ICB find out, when and how?

On Friday 15th March 2024 NCL ICB was informed by HCRG Care Group that ownership of Operose Health Ltd had transferred from MH Services International (UK) Ltd to T20 Osprey Midco Ltd on 28th December 2023.

This resulted in a 'Change of Control' of AT Medics Ltd.

NCL ICB has been undertaking due diligence on the proposed change, scrutinising the information provided and seeking additional information where this was not provided or was not clear.

The disclosure of the completion of the Change of Control was made during the due diligence exercise.

2. How did the change of control take place without NCL ICB's approval?

The Change of Control arises from a transaction carried out between the companies involved. NCL ICB is not a party to that transaction.

Providers are required under the terms of the Alternative Provider Medical Services ('APMS') contracts they hold with us to seek our consent prior to any Change of Control. Consent was sought, but the change took place without consent, whilst the due diligence process was ongoing, ahead of any formal consideration by NCL ICB.

Next steps

3. What is NCL ICB going to do about this?

NCL ICB is considering its next steps. Steps we will take include:

- Working with the companies involved to ensure patients continue to have access to general practice services. The Change of Control should not affect frontline care;
- Continuing with the due diligence process. As public bodies with duties to patients and the public, NCL ICB needs to understand who T20 Osprey Midco Ltd is and the implications of the Change of Control. This has not been completed and it is important we access all the information needed regarding the companies involved. We want to ensure this information is available to our Primary Care Committee which makes decisions about commissioning the general practice services in question, including the management of contracts.
- Continuing with the patient, public and stakeholder engagement. Any decisions taken will be taken with due consideration, where appropriate, of patient, public and stakeholder views.

Due diligence and assurance process

4. Why was this not discovered earlier?

The Change of Control took place on 28th December 2023, but was not disclosed to us or our legal advisors by the companies involved during the due diligence process, which remains ongoing.

Publicly available information on Companies House regarding the ownership and control of AT Medics Limited and Operose Health Limited had not changed to reflect the Change of Control, so there was no way for us or our legal advisors to independently check this information sooner.

The change was disclosed to us on 15th March 2024.

5. Why is the due diligence and assurance process continuing?

The Change of Control has happened. The ownership of Operose Health Ltd has transferred to T20 Osprey Midco Ltd.

Regardless of any future decision regarding the Change of Control by NCL ICB, T20 Osprey Midco Ltd now has significant control of AT Medics Ltd.

As a public body with duties to patients and the public, NCL ICB needs to understand who T20 Osprey Midco Ltd is and the implications of the Change of Control.

The NCL ICB Primary Care Committee will have decisions to make when it meets to consider this issue. Full due diligence information is important to ensure that the Primary Care Committee has all the information needed to make an informed decision.

6. How will NCL ICB prevent this happening again?

Providers are required under the terms of the Alternative Provider Medical Services ('APMS') contracts they hold with us to seek our consent prior to any Change of Control.

NCL ICB has been very clear about the requirement to request any change of control and to await the outcome of the process before any change of control takes place. This includes the due diligence and patient and public engagement.

NCL ICB is unable to prevent providers from breaching their contractual obligations, however where breaches occur they are managed in accordance with the contracts. NCL ICB is considering next steps carefully and any relevant decisions will be made by our committee in due course.

Patient, public and stakeholder engagement

7. Why is the patient, public and stakeholder engagement continuing?

The Primary Care Committee is responsible for taking decisions in relation to the Change of Control, and needs to consider all relevant information. The patient,

public and stakeholder engagement is continuing so that this committee can hear people's views and take these into account, where appropriate, prior to making any decisions.

8. Why did you not inform patients, the public and stakeholders immediately?

NCL ICB has taken a short period of time to review the information shared by the companies involved in the Change of Control, to discuss with our advisors and with others, understand the implications and next steps, and to brief key leaders.

We have also worked together to prepare some initial information for patients, the public and stakeholders.

We have informed the public by publishing a statement on each of our public websites and sending it to local key stakeholders such as the Lead Members for Health in each of the Local Authorities and Healthwatch. We are also updating our engagement materials and information on our websites.

Patient care and practice staff

9. Why did you not inform patients and practice staff immediately? How have/will you inform them?

NCL ICB has taken a short period of time to review the information shared by the companies involved in the Change of Control, to discuss with our advisors and others, understand the implications and next steps, and to brief key leaders.

We have also worked together to prepare some initial information for patients, the public and stakeholders.

As practice staff are not employed by NCL ICB, it will be for AT Medics Ltd to inform their staff and work with their Practice teams to explain this change and ensure it does not impact service delivery.

We will share the communication materials we have developed with practice teams so they are aware of our position and can share this with their Patient Participation Group ('PPGs') and others as required.

10. How will you ensure continuity for patients?

The change of control arises from a change in ownership of Operose Health Ltd and does not result in any change to:

- The legal entity holding the APMS contracts (AT Medics Ltd);
- The APMS contracts themselves; and
- The services AT Medics Ltd are required to provide, including locations, opening hours and service standards (including in respect of access and staffing).

We will work with the companies involved to ensure services being delivered are not affected. The due diligence process will continue and, whatever decisions are made,

continuity for patients and staff will be paramount and NCL ICB will take steps to ensure services are secure and not subject to avoidable disruption.

NCL ICB will continue to use all available contractual levers to monitor and oversee the services being provided, working with the CQC, NHSE and others.

11. How will you ensure that the contract holder remains qualified to hold an Alternative Provider of Medical Services contract?

AT Medics Ltd is the contract holder and this has not changed.

We are continuing the process of due diligence so we understand the implications of the Change of Control, including the background of the companies who are now part of the ownership structures.

12. Will these contracts now be reprocured and awarded to established local providers?

Decisions are made by the NCL ICB Primary Care Committee and at this stage no final decisions have been made.

The committee will consider the options available and make its decision on those options in due course. Thereafter, NCL ICB will enact whichever decision(s) its committee makes.

It would be inappropriate for us to predetermine or pre-empt the decision of the committee and so we are unable to comment further on this question.

NCL ICB have contracts being run by AT Medics Ltd that are currently subject to procurement processes and contracts that are due for formal review.

Any contracts subject to a competitive procurement process are open to qualified providers to bid to provide these services in the normal way. This includes GP Federations, local practices, PCNs and other providers. NCL ICB operates in a fair and impartial manner and in line with its legal obligations.

13. Will there be any impact on practice staff and their employment?

The Change of Control does not directly result in any change for staff at the practices run by AT Medics Ltd. As practice staff are not employed by NCL ICB, it will be for AT Medics Ltd to engage their practice teams to ensure they are informed and supported as required.

Contracting

14. Does this formally constitute a breach of the Alternative Provider of Medical Services contract?

Yes. Providers are required under the terms of the Alternative Provider Medical Services ('APMS') contracts they hold with us to seek our consent prior to any Change of Control.

15. What are the contractual implications? Does this disqualify the provider from holding an Alternative Provider of Medical Services contract?

The NCL ICB Primary Care Committee will consider this. It does not automatically disqualify the providers involved.

16. Will you be terminating the contracts?

The NCL ICB Primary Care Committee is responsible for taking decisions in relation to the Change of Control. Work will need to be completed before options can be presented to the committee. The committee will consider the options available and make a decision in due course. At this stage no decisions have been made and it would be inappropriate for us to predetermine or pre-empt the decision of the committee.

Decision-making process

17. What does this mean for NCL ICB decision-making process?

At this stage no decisions with respect to the Change of Control have been made. The NCL ICB Primary Care Committee will consider the options available and make a decision on those options at a meeting in public in due course.

The disclosure of the Change of Control being completed without consent means NCL ICB will now need to reconsider the process and timeline.

18. Are you still able to grant permission to the proposed change of control?

The NCL ICB Primary Care Committee is responsible for taking decisions in relation to the Change of Control. At this stage no final decisions have been made and it would be inappropriate for us to predetermine or pre-empt the decision of the committee. The committee will consider the options available and make its decisions on those options in due course.

19. How likely is it that consent will be given?

The NCL ICB Primary Care Committee is responsible for taking decisions in relation to the Change of Control. No final decisions have been made at this stage and it would be inappropriate for us to predetermine or pre-empt the decision of the committee.

Privatisation

20. Will this impact other activity involving private enterprise?

Each decision to work with private enterprise is taken on a case by case basis, on its own merits, in accordance with our policies and the law.