Manchester University
NHS Foundation Trust

Manchester University NHS Foundation Trust
Annual Report and Accounts
1st April 2020 to 31st March 2021

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Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Contents

Quality Report

Please note that this year's Annual Report does not contain the usual Quality Report. In response to the coronavirus pandemic, NHS Improvement has advised NHS Foundation Trusts that they do not need to provide a Quality Report for 2020/21 as part of this document. A short Quality Account has been included.

1. Welcome and highlights of 2020/21

1.1 Welcome from our Chairman and Chief Executive

As we look back on a year like no other, we would like to share with you how exceptionally proud we are of everything that our staff have achieved during 2020/21.

From the initial response to the emerging global coronavirus pandemic, through the massive reorganisation of services and the escalation of care for critically ill Covid-19 patients to the vaccination programme roll-out – their dedication, resilience and professionalism have been absolutely outstanding.

We want to thank each and every one of our staff for the tremendous effort and hard work that they have put into managing the Covid-19 pandemic, often at personal cost to themselves as individuals and their families.

During this incredibly challenging year for the NHS, it has been truly humbling to see how everyone in Team MFT has put patients and their families first. Whether in a front-line clinical role or providing vital support and administration services, every colleague has contributed to delivering safe, compassionate care for our patients and their families.

Our teams have also worked across Greater Manchester and with regional and national leaders to help reduce the spread of the virus and with researchers, industry, public health and academic colleagues to support the development of vaccines.

Against the backdrop of the pandemic, we have continued to deliver the planned benefits of the Single Hospital Service for the people of Manchester and Trafford. This process began almost four years ago when we created a new, city-wide Trust to provide much better, safer, more consistent care that's fit for the future.

Our MFT Group Clinical Service Strategy is bringing clinical teams together across all our hospitals, delivering a consistently high standard of care for our patients. And by sharing expertise between hospitals and the community, we have delivered further benefits such a faster access to treatment and shorter stays in hospital.

We are also looking forward to welcoming North Manchester General Hospital (NMGH) to the MFT family on 1st April 2021, the final element of delivering the Single Hospital Service. The NMGH site does need very significant levels of investment to provide the facilities for delivering high quality, modern healthcare.

We are therefore working with key partner organisations such as the City Council and Commissioners on ambitious plans to create an integrated health and social care campus, with support from the national New Hospitals Programme. The NMGH campus will include new housing, education and employment opportunities that will help to address some of the existing health inequalities in the area. A similar transformational redevelopment programme is being planned for Wythenshawe Hospital and its neighbouring community.

Both these projects are part of MFT's major investment programme which will deliver world class patient care and an outstanding working environment for our staff over the next decade. This also includes developing our adult and paediatric emergency departments at Oxford Road, and completion of the new helipad.

In addition, the new MFT Electronic Patient Record will help us to realise our ambitions by introducing cutting edge technology to support delivery of outstanding care and enabling patients to have more control over managing their health. Design of the new system is well underway and it is due to go live in autumn 2022.

Looking ahead in 2021/22, our teams will work hard to safely restore outpatient services, cancer, diagnostic and other services. However, it will not just be business as usual. We are also transforming the way we deliver care, learning from the innovations that supported our emergency, critical care and other services during the peaks of the pandemic.

For example, our 'Attend Anywhere' video consultations have been very well received by patients, and will continue where clinically appropriate. Online meetings have enabled our teams to keep working and communicating effectively, another innovation that will remain.

The wider picture across the NHS remains one of increasing demand on services, significant workforce challenges and financial pressures. Health and care services will face both challenges and opportunities over the coming months. The Board is very positive about the future. We are confident that MFT has the people, skills, resources and commitment to build on our achievements to date and fulfil our potential as a regional, national and international healthcare leader.

Kathy Cowell OBE DL
Group Chairman

Sir Michael Deegan CBE
Group Chief Executive

1.2 Highlights of 2020/21

April 2020
Less than three weeks since work first started, the **NHS Nightingale Hospital North West** officially opened on 17th April in central Manchester, to provide additional capacity to care for hundreds of patients from across the region not needing critical care support.
https://mft.nhs.uk/2020/04/17/new-nhs-nightingale-hospital-north-west-opens

The team responsible for building the new hospital and all staff at the site were given a special 'thank you' badge for their heroic efforts to get the hospital up and running. The badge, an image of a bright rainbow, was designed by Bury resident Zeidan Qureshi, aged five.

https://mft.nhs.uk/2020/04/22/nhs-nightingale-hospital-north-west-staff-given-special-thank-you-badge-designed-by-greater-manchester-boy

The Kellgren Centre for Rheumatology at **Manchester Royal Infirmary** won a national award for its innovative work with patients with rheumatoid arthritis. The team received a Best Practice Award from the British Society of Rheumatology in partnership with Versus Arthritis.
https://mft.nhs.uk/2020/04/20/national-award-for-the-manchester-royal-infirmary-rheumatology-team/

May 2020
MFT signed a contract with Epic to provide the Trust's future Electronic Patient Record (EPR) solution – providing all the most up-to-date information about a patient's care at the tap of a screen.
https://mft.nhs.uk/2020/05/26/for-immediate-use-26th-may-mft-signs-contract-with-epic-for-ambitious-new-epr-solution/

This month saw a double celebration for **MFT's nurses and midwives**, as part of the international Year of the Nurse and Midwife 2020. International Day of the Midwife is marked each year on 5th May to recognise and celebrate the profession, which is at the forefront of supporting women to give birth. https://mft.nhs.uk/2020/05/05/international-day-midwife-2020/

The Trust also celebrated International Nurses' Day on 12th May, the 200th anniversary of the birth of Florence Nightingale, pioneer of many of the principles that lie at the heart of the modern day profession. https://mft.nhs.uk/2020/05/12/mft-celebrates-international-nurses-day/



June 2020

Powerful portraits of Critical Care Nurse Emma Kelly (*left*), who has served on the frontline at **Manchester Royal Infirmary** throughout the Covid-19 pandemic, were unveiled by acclaimed photographer Rankin, as part of a collection of photographs to celebrate the NHS anniversary.
https://mft.nhs.uk/2020/06/29/mft-critical-care-nurse-photographed-by-rankin-for-nhs-birthday-portrait-collection/

Researchers from **MFT** and The University of Manchester were asked to lead a new £1.3 million national programme to evaluate instant testing for Covd-19. They will assess the effectiveness of tests that may give doctors results in minutes rather than days.
https://mft.nhs.uk/2020/06/24/manchester-researchers-leading-new-1-3-million-national-programme-to-evaluate-instant-testing-for-covid-19/

A patient at **Royal Manchester Children's Hospital** was the first in the UK to receive convalescent plasma after being randomly selected through the RECOVERY Covid-19 research study.
https://mft.nhs.uk/2020/06/03/rmch-patient-is-the-first-in-the-uk-to-receive-convalescent-plasma-through-dedicated-covid-19-treatment

July 2020
Dr Tim Felton, from **Wythenshawe Hospital**, and Professor Andrew Ustianowski, based at **North Manchester General Hospital**, have played a leading role in global coronavirus research, which found the first drug – dexamethasone - shown to increase survival rates in people hospitalised with Covid-19.
https://mft.nhs.uk/2020/07/22/manchester-doctors-play-leading-role-in-breakthrough-covid-19-drug-research/

Manchester's world-class health innovation and precision medicine campus – a joint venture between **MFT** and Manchester Science Partnerships – took a step forward as the £25 million Citylabs 2.0 building reached practical completion.
https://mft.nhs.uk/2020/07/14/next-stage-of-health-innovation-campus-takes-shape-citylabs-2-0/

Supported by **MFT** clinical research delivery teams (*below*), over 600 school children and teachers in Greater Manchester took part in a new voluntary coronavirus study, to assess the prevalence of Covid-19 in school pupils and teachers.
https://mft.nhs.uk/2020/07/06/more-than-600-greater-manchester-school-children-and-teachers-participate-in-national-research-monitoring-prevalence-of-covid-19/

A 45 metre section of a link bridge was successfully lowered into place at **MFT's** Oxford Road Campus, marking a major milestone in the construction of the site's £3.9 million new Helipad.
https://mft.nhs.uk/2020/07/10/link-bridge-to-life-saving-helipad-marks-major-milestone-for-manchester-hospitals/

August 2020

Patients with cardiac conditions are benefiting from new and improved services. **Manchester Royal Infirmary** and **Wythenshawe Hospital** are pioneering new procedures and ways of working; including the world's smallest pacemaker and inventive 'drive in' pacemaker checks for existing patients (*left*).
https://mft.nhs.uk/2020/08/25/mft-leading-the-way-in-innovative-cardiac-care-services/

The **University Dental Hospital of Manchester** was awarded a 'Silver' grading following their assessment by the LGBT Foundation. This award was the first of its kind within hospital settings and involved training staff around LGBT inclusion and how to provide appropriate services to LGBT people

Manchester Royal Infirmary and The Christie NHS Foundation Trust in Manchester are trialling innovative artificial intelligence (AI) wireless monitoring technology that could lead to quicker interventions for patients with Covid-19.
https://mft.nhs.uk/2020/08/13/manchester-researchers-use-innovative-artificial-intelligence-in-covid-19-technology-trial/

A multidisciplinary team of 34 specialists from **Royal Manchester Children's Hospital** and **Saint Mary's Hospital** safely performed a life-saving Ex Utero Intrapartum Treatment (EXIT) operation on a newborn baby, for only the third time in the hospitals' history.

https://mft.nhs.uk/2020/08/10/team-of-34-specialists-at-mft-hospitals-perform-incredibly-rare-life-saving-surgery-on-newborn/

Baby Kayleigh and her family after her surgery

September 2020

Surgeons at **Manchester Royal Infirmary** are amongst the first in Europe to introduce pioneering robot technology to undertake surgery on patients. The surgical robot, Versius, is the first of its kind to be used at the hospital to perform minimal access surgery (keyhole).
https://mft.nhs.uk/2020/09/22/manchester-royal-infirmary-leading-the-way-in-robotic-surgery/

Staff in the Intensive Care Unit at **Wythenshawe Hospital** developed Bubble PAPR, a Powered Air-Purifying Respirator (PAPR), to keep healthcare workers safe during the Covid-19 pandemic.
https://mft.nhs.uk/2020/09/16/frontline-medical-staff-design-innovative-ppe-respirator-that-could-provide-a-breakthrough-in-the-fight-against-covid-19/

Patients, NHS trusts and local research teams across the Greater Manchester region, including at **MFT**, contributed important data to new global research which shows that corticosteroids can significantly improve outcomes for severely ill patients with Covid-19.
https://mft.nhs.uk/2020/09/02/mft-patients-contribute-key-data-to-practice-changing-covid-19-study/

October 2020

The Queen's Birthday Honours List was postponed from June until October, to allow extra time for people who had made an outstanding contribution to the coronavirus pandemic response to be nominated. Three MFT colleagues received Honours:

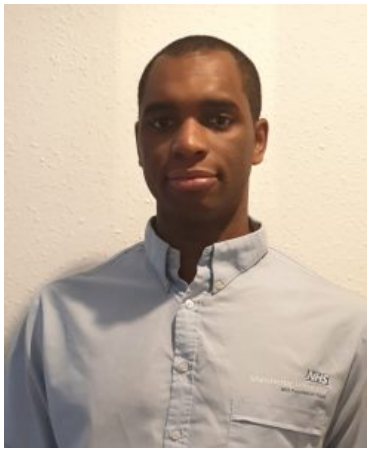
Professor Cheryl Lenney, **Chief Nurse at MFT**, was awarded an OBE in recognition of her contribution to nursing and midwifery over her career of nearly 40 years, as well as her work in responding to Covid-19.
https://mft.nhs.uk/2020/10/10/chief-nurse-at-englands-largest-trust-in-manchester-awarded-obe/

Marie Zsigmond, Named Midwife for Safeguarding, based at **Saint Mary's Hospital**, was awarded a British Empire Medal (BEM) for services to Midwifery and Midwifery Safeguarding.
https://mft.nhs.uk/2020/10/10/mft-midwife-awarded-british-empire-medal-bem-for-services-to-midwifery-and-midwifery-safeguarding/

Esin Eno-Obong, Ward Clerk on the Adult Critical Care Unit at **Manchester Royal Infirmary**, also received a British Empire Medal, for services to the NHS during the Covid-19 pandemic
https://mft.nhs.uk/2020/10/10/mft-ward-clerk-awarded-british-empire-medal-bem-for-services-to-the-nhs/


Professor Cheryl Lenney


Marie Zsigmond


Esin Eno-Obong

This month marked a significant milestone for **MFT**, with more than 5,000 participants having taken part in our Covid-19 research studies. Volunteers included hospital patients, teachers and children plus MFT staff.
https://mft.nhs.uk/2020/10/09/milestone-5000-participants-recruited-to-covid-19-research-studies-at-mft/

The **MFT Anaesthesia team** won the *Anaesthesia and Perioperative Medicine* Team of the Year award at the prestigious BMJ Awards 2020, recognising their outstanding dedication to 'Improving Tracheostomy Care' for patients across Greater Manchester and beyond.
https://mft.nhs.uk/2020/10/08/mft-anaesthesia-team-win-national-medical-award/

The ambitious plan to transform the delivery of health and care services in North Manchester and the surrounding boroughs was awarded £54m of government funding, paving the way for the total redevelopment of the **North Manchester General Hospital** site.
https://mft.nhs.uk/2020/10/03/54-million-boost-for-north-manchester-general-hospital-transformation-vision/

A decade-long study has identified the factor produced by a common species of skin bacteria that triggers eczema. The discovery of a missing link by an international team led by Manchester researchers including Dr Peter Arkwright, Consultant in Paediatric Allergy & Immunology at the **Royal Manchester Children's Hospital**, could lead to new treatments for the skin condition which affects 20 to 30 per cent of children.
https://mft.nhs.uk/2020/10/20/protein-by-which-common-skin-bacteria-trigger-eczema-identified/

Manchester cancer researcher Professor Gareth Evans has been recognised for his work in advancing women's health, receiving a prestigious honorary fellowship from the Royal College of Obstetricians and Gynaecologists. Professor Evans is a Consultant in Genomic Medicine at **Saint Mary's Hospital** and **Wythenshawe Hospital's Nightingale Centre.**
https://mft.nhs.uk/2020/10/22/manchester-cancer-professor-receives-honour-from-royal-college-of-obstetricians/

November 2020
As part of MFT's Year of the Nurse and Midwife celebrations, Chief Nurse Professor Cheryl Lenney (*left*) presented the MFT Nurse of the Year award to Louise Carnes, specialist HIV nurse, who works in the multidisciplinary HIV and sexual health team at **Manchester Royal Infirmary.**

MFT's Procurement Team were recognised with five awards at the National Health Care Supply Association (HCSA) Awards for their incredible contributions to procurement in 2020. In addition to this, all procurement teams in the UK, including at MFT, received the 2020 HCSA President's Award**,** presented by Lord Philip Hunt for their vital contributions during COVID-19. Her Majesty The Queen also commended the work of the entire NHS procurement and supplier community in a letter to the HCSA.
https://mft.nhs.uk/2020/12/09/mfts-procurement-team-recognised-at-national-awards/

Members of the Procurement Team (photo taken pre-Covid-19)

Nuffield Health, the UK's largest healthcare charity, launched a specialist 12-week rehabilitation programme with **MFT** to support patients in their recovery after they have received medical treatment for Covid-19.
https://mft.nhs.uk/2020/11/09/covid-19-patients-in-manchester-to-benefit-from-specialist-recovery-programme/

A new device designed to simplify a difficult kidney operation in children and adults has been invented by Consultant Paediatric Surgeon and Urologist, Mr Tamas Cserni, based at **Royal Manchester Children's Hospital**.
https://mft.nhs.uk/2020/11/25/rmch-doctor-invents-device-to-simplify-complex-kidney-surgery/

The first patients were treated with the new da Vinci surgical robot at **Wythenshawe Hospital**. Robotic surgery provides the operating surgeon with a significantly better three dimensional view of the operating field, and enhanced dexterity using specialised instruments to match the surgeon's wrist movements.

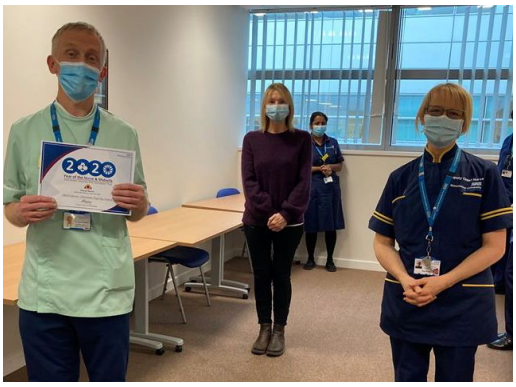
December 2020
Pioneering equipment has been introduced by paediatric neurosurg eons at **Royal Manchester Children's Hospital** and will transform how neurosurgery is performed**.** The £300,000 neuronavigational machine, *BrainLab Curve 2,* provides a powerful and versatile image guided display for surgeons whilst operating.
https://mft.nhs.uk/2020/12/01/cutting-edge-equipment-transforms-how-neurosurgeons-operate-at-rmch

Manchester Royal Eye Hospital joined up with local optometrists in Manchester and Trafford, through Primary Eyecare Services, to deliver an innovative new service which provides urgent NHS optometry care closer to home. The Covid-19 Urgent Eyecare Service (CUES) ensures Greater Manchester residents have safe, quick and easy access to urgent eye care without needing to go to hospital.
https://mft.nhs.uk/2020/12/11/innovative-urgent-eye-care-service-launched-during-covid-19-provides-care-closer-to-home/

Dr Fozia Ahmed (*left*), Consultant Cardiologist at The Manchester Heart Centre, part of **Manchester Royal Infirmary** was recognised at this year's National Pumping Marvellous Foundation awards for her outstanding contribution to Heart Failure services.
https://mft.nhs.uk/2020/12/22/mri-doctor-recognised-for-outstanding-contribution-to-heart-failure-services

Two **MFT staff** were recognised in the New Year Honours list. Julie Cawthorne (*left*), Assistant Chief Nurse for Infection Prevention & Control (IPC) at MFT, was awarded an MBE in recognition of her outstanding contribution to patient safety over a 40-year career in nursing, as well as her vital role in responding to the Covid-19 pandemic.
https://mft.nhs.uk/2020/12/31/manchester-nurse-at-englands-largest-nhs-trust-awarded-mbe-in-new-year-honours-list/

Sarah Wallace (*right*), Consultant Speech and Language Therapist at MFT received the OBE for her work as an internationally recognised leader and senior clinician within the field of dysphagia and critical care in speech and language therapy (SLT) as well as her contribution to the pandemic response.
https://mft.nhs.uk/2020/12/31/manchester-speech-and-language-therapist-at-englands-largest-nhs-trust-awarded-obe-in-new-year-honours-list/



Continuing MFT's Year of the Nurse and Midwife celebrations, **Manchester Royal Eye Hospital** Nursing Assistant Patrick Coleman *(far left*) received the MFT Health Care Support Worker of the Year award from. Deputy Chief Nurse Sue Ward.

January 2021
Dr Caroline Baxter was appointed as Clinical Director of the National Aspergillosis Centre based at **Wythenshawe Hospital**. Under her expert leadership, the centre, which is commissioned by the Department of Health as a highly specialised service, plans to further develop its services and will continue to provide patients from across the country with specialist care and treatment.
https://mft.nhs.uk/2021/01/15/new-clinical-director-appointed-at-the-national-aspergillosis-centre-nac-wythenshawe-hospital/

February 2021
A simple non-invasive test can accurately detect womb cancer according to a proof of concept study by MFT and University of Manchester scientists, led by Prof Emma Crosbie from **Saint Mary's Hospital**. The non-invasive test, which detects the cancer by looking at a urine or vaginal sample with a microscope, could have a major benefit for patients if adopted across the NHS.
https://mft.nhs.uk/2021/02/11/simple-urine-test-can-detect-womb-cancer/

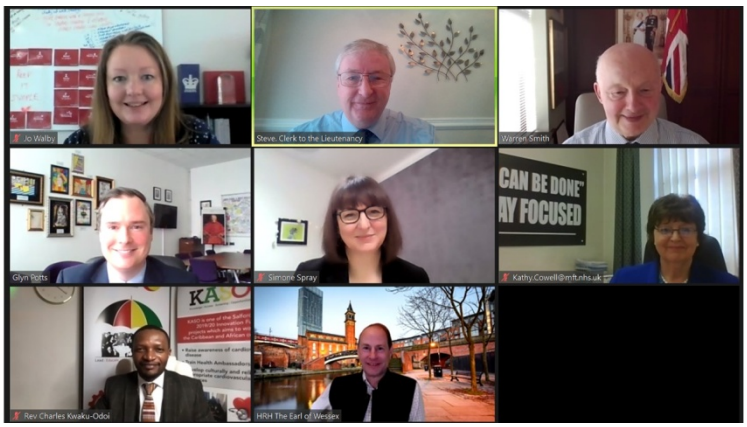
MFT recruited its final participant to a leading COVID-19 vaccine trial. The Phase 3 study was testing the safety and effectiveness of a new two-dose vaccine regimen, versus a placebo, in preventing moderate to severe/critical coronavirus disease. Dr Claire Cole, the Head of Research Delivery at MFT, was the first person in the world to be consented into the Janssen trial when it opened on 16 November 2020. https://mft.nhs.uk/2021/02/02/mft-recruits-final-participant-to-phase-3-covid-19-vaccine-study/

March 2021
Royal recognition for MFT
The Manchester Laboratory team, a collaboration between MFT and Public Health England (PHE), have been recognised by The Duke of Cambridge for their Covid-19 testing efforts during the pandemic.

His Royal Highness (HRH), The Duke of Cambridge spoke one-to-one over the phone with **Clinical Scientist in Virology, Emma Davies** (*left*) who was responsible for introducing Covid-19 testing to the Manchester laboratories at the start of 2020. Since then she has dedicated her time to overseeing this service for patients and staff in our hospitals, across Greater Manchester and the North West.

Emma and The Duke discussed her role in the laboratory, the speed at which they were able to get local testing underway, and how the team have continued to improve the service to increase the number of tests they can offer to patients across the North West.

MFT Chairman Kathy Cowell took part in a group video call with HRH The Earl of Wessex, along with representatives from Greater Manchester's health, education and homeless services, and charitable organisations. Representing both MFT and the NHS, Kathy spoke about the impact on NHS services in Greater Manchester throughout the Covid-19 National Emergency. Since March 2020, MFT has responded comprehensively to the Covid-19 pandemic by introducing a wide range of measures and initiatives.



Amongst other things, the Chairman discussed with HRH The Earl of Wessex the number of patients seen, including the peak day where MFT had 487 Covid-19 inpatients. She also explained that whilst feeling exhausted after 12 months of providing the best care for patients and their families during such difficult times, MFT's staff are now once again rising to the challenges and opportunities of delivering many services differently.

On 23rd March, the **National Day of Reflection**, our staff took time to remember those who lost their lives in the pandemic. Our Senior Leadership Teams also made sure everyone in their teams felt valued and supported, giving out cards, pin badges and gift bags and running virtual coffee mornings to say thank you.

Remembering our colleagues

During the year, we very sadly lost a number of colleagues to Covid-19. They were admired and respected by everyone they worked with, and played a key part in delivering outstanding care to our patients and their families.

We created a book of condolence for each colleague, so that their family and friends could see how much they meant to their MFT family. Their kindness, enthusiasm, commitment and care will not be forgotten. We remember them all with love and thanks:

2. Performance Report - overview

In the following sections (pages 19 to 81), you can find an overview covering Manchester University NHS Foundation Trust's (MFT's) structure and purpose, the key risks to the achievement of our objectives and how MFT has performed during the year. Below is a short summary of sections 2.1-2.8

Summary of the Performance Report overview
Our Trust was formed in 2017, and we provide community and secondary care services to the populations of Manchester and Trafford, and specialist services to patients from Greater Manchester, the North West and the rest of the UK. MFT is also one of the major academic research centres and education providers in England.

The MFT Group comprises nine hospitals plus the Manchester and Trafford Local Care Organisations, with North Manchester General Hospital (NMGH) joining the group from 1st April 2021. We have an annual turnover of more than £2 billion, around 2,500 beds and 25,000 staff.

Our vision is to improve the health and quality of life of our diverse population by building an organisation that:

- Excels in quality, safety, patient experience, research, innovation and teaching
- Attracts, develops and retains great people
- Is recognised internationally as a great healthcare provider.

MFT identified a number of significant risks to achieving our objectives during 2020/21, particularly Covid-19 related risks such as infection control, vulnerable staff, service delivery levels and recovery. These are being addressed through robust monitoring at the bi-monthly Risk Oversight Committee, chaired by the Group Chief Executive.

In line with the rest of the NHS, responding to the Covid-19 pandemic has had a significant impact on MFT's operational performance during 2020/21 and the number of patients we have been able to treat. The need to prioritise Covid-19 patients and the subsequent reduction in elective activity for significant periods from March 2020 means MFT is now facing a large backlog of non-Covid care. Throughout this time, safety has remained MFT's key priority with all patients being clinically assessed and prioritised.

The Trust has a dedicated Recovery and Resilience Board to oversee MFT's recovery programme across urgent and planned care, cancer, outpatients and diagnostics. This work is supported by comprehensive Clinical Service Strategies and the Single Hospital Service programme.

MFT is also investing in the redevelopment of NMGH and Wythenshawe Hospital, a £40 million A&E transformation at Manchester Royal Infirmary and the new Hive Electric Patient Record programme. The life-saving new Helipad at MFT's Oxford Road Campus – the first elevated helipad of its kind in the North West – opens in May 2021.

Our financial performance was affected by the pandemic. In the financial year ending 31st March 2021, MFT has reported a net deficit after impairments of £32.9m (2019/2020 £27.4m deficit). Turnover for the year was £2.15 billion. Individuals, community groups, companies and organisations have shown unwavering support for our MFT Charity, raising £9.8m during 2020/21.

We are proud to have met our commitments to equality, diversity and inclusion and sustainability during 2020/21.

2.1 Introduction to MFT

Our Trust was formed in 2017, and we provide community and secondary care services to the populations of Manchester and Trafford, and specialist services to patients from Greater Manchester (GM), the North West and the rest of the UK.

MFT comprises nine hospitals plus the Manchester and Trafford Local Care Organisations (LCOs), and operates as a 'group' as shown below. North Manchester General Hospital (NMGH) joins the group from 1st April 2021, making MFT the sole provider of hospital services in the city of Manchester and England's largest NHS Trust.

We are a large and complex organisation with an annual turnover of more than £2 billion. We have around 2,500 beds across our nine hospital sites and are one of the biggest employers locally, with 25,000 staff.

MFT has eight operational units: five of these are described as Managed Clinical Services, two are hospitals and one is the hosted Manchester and Trafford Local Care Organisations. Of the five Managed Clinical Services, four are associated with a distinct physical site, whilst one manages services across multiple sites.

The five Managed Clinical Services (see chart below) are accountable for the delivery and management of a group of clinical services taking place on any site within MFT.

Their role includes the operation of Clinical Standards Groups for their areas of specialty, setting clinical standards and developing evidence-based guidelines and pathways across the Trust.

Managed Clinical Service	Services	Clinical standards development function
Clinical & Scientific Services (CSS)	Anaesthesia, Critical Care, Pathology, Radiology et al	Yes
Manchester Royal Eye Hospital (MREH)	Adult & Paediatric Ophthalmology	Yes
Royal Manchester Children's Hospital (RMCH)	Children's Services	Yes
Saint Mary's Hospital (SMH)	Women's Services & Neonatology	Yes
University Dental Hospital of Manchester (UDH)	Dental Surgery & Oral Medicine	Yes

The other two operational units (see the chart below) are the hospital sites of Manchester Royal Infirmary (MRI) on the Oxford Road campus, and the multiple hospital sites of Wythenshawe, Trafford General, Withington and Altrincham Hospitals (WTWA) managed by a senior leadership team based at Wythenshawe Hospital.

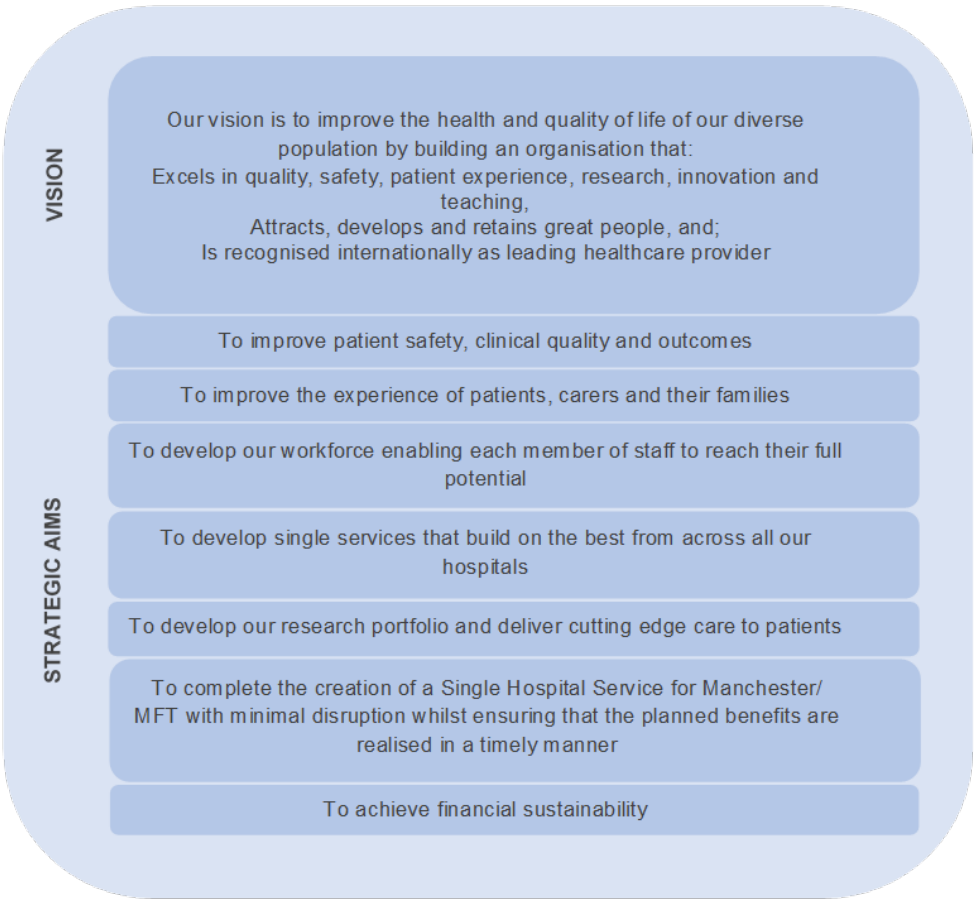
The two operational units of MRI and WTWA each deliver many clinical services to adults which they share in common, such as Emergency Medicine, Urology and Cardiac Surgery, but which are operationally managed independently by each site.

Hospital Site	Services include:	Clinical standards development function within hospital site
Manchester Royal Infirmary (MRI)	Adult Medical & Surgical Services including Cardiac & Respiratory	No
Wythenshawe, Trafford, Withington & Altrincham (WTWA)	Adult Medical & Surgical Services including Cardiac & Respiratory	No

MFT is also one of the major academic research centres and education providers in England. Research and Innovation is at the heart of everything we do. It enables us to ensure that our patients have access to the latest high-quality care and clinical trials, to attract the best staff and in turn to deliver the best outcomes for patients. It also allows us to attract investment and develop relationships with industry to our mutual benefit.

Our vision and values
The development of MFT's vision and values was part of a major Trust-wide programme with our staff, and included input from patients and partners. Ensuring staff are aware of and demonstrate our values is an ongoing process, starting at induction for new staff and running through staff appraisals and development.

Our vision is underpinned by our strategic aims, which are in turn reflected in the individual plans of our hospitals and Managed Clinical Services.



The people we serve
We are responsible for providing local hospital services to the populations of Manchester and Trafford, a combined population of around 776,000 people. Beyond this, our reach extends across Greater Manchester (GM), the North West and the wider UK.

Many of our secondary and tertiary (specialist) services treat patients from across GM, covering a population of over 2.8 million. For several tertiary services, such as cardiac surgery, we are the sole provider across GM.

We also offer many regional services across the North West (e.g. cochlear implants) and, for certain services, across the whole North of England and Scotland. Several of our most specialist services are nationally commissioned (e.g. Aspergillosis) and serve patients across the UK and internationally.

The health inequalities between the north and south of England are regularly highlighted in national statistics. Levels of poor health in Manchester and Trafford contribute to demand for hospital and community health services.

Working closely with our partners
MFT is proud to work alongside a wide range of partner organisations to help deliver outstanding care to the people of Manchester and beyond.

Manchester Health and Care Commissioning is the single body which brings together the NHS and Manchester City Council and is responsible for commissioning both health and social care services in Manchester. The equivalent organisation for Trafford is **Trafford Together for Health and Social Care**.

MFT is a partner in the **Greater Manchester Health and Social Care Partnership**.

In April 2016 Greater Manchester took charge of its health and care system as one Partnership spanning NHS and local government, commissioners and providers of both physical and mental health. In doing so, it embarked upon the most radical health and care transformation programme in the country. Devolution has put Greater Manchester in charge of improving the health and wellbeing of everyone who lives there –some2.8 million people. Its ten boroughs are working together to transform public services and tackle the biggest issues affecting health.

The **Manchester Local Care Organisation (MLCO)** is a partnership between the City Council, Commissioners and providers, including MFT, with responsibility for the delivery of out-of-hospital care and improved community-based health services aimed at preventing illness and caring for people closer to home. It is hosted by MFT and community healthcare staff are deployed to MLCO.

The partners agreed to develop a legally binding ten-year Partnering Agreement, which commits all parties (MFT, MHCC, Manchester City Council, Manchester Primary Care Partnership and Greater Manchester Mental Health NHS Foundation Trust) to the delivery of the LCO agenda and the transformation of out of hospital services. The Partnering Agreement came into effect on 1st April 2018.

The MLCO is a virtual organisation responsible for the delivery of a range of services including community health services and adult social care. As the organisation develops over an agreed three-year phased approach, the range of services that will be delivered through it will grow to include Mental Health and Primary Care.

The **Trafford Local Care Organisation (TLCO)** came into operation on 1st October 2019 to deliver NHS community services in Trafford. Hosted and managed by MFT, TLCO brought together staff from Trafford community health who transferred to MFT and Trafford Council's Adult Social Care team.

Through the TLCO, community health staff and adult social care staff are delivering a wide range of out-of-hospital care services such as district nursing, school nursing, podiatry services and specialist palliative care. While there has been no change in how patients and residents access these services, the overall aim is to ensure that services are the best they can be and that care is better co-ordinated around people's needs.

The benefits being delivered through the LCOs include:

- Improved health outcomes.
- People having a better experience of care.
- Local people being independent and able to self-care.
- Better integrated care and use of resources.
- Fewer permanent admissions into residential/nursing care.
- Fewer people needing hospital-based care.

As a leading **research and teaching Trust,** MFT has a large number of clinical academics who are recognised as leaders in their field. We work closely with our main academic partner, the University of Manchester, and with industry partners through developments such as Citylabs 1.0 and 2.0.

We host the Manchester Biomedical Research Centre (BRC) and are a founding partner of Health Innovation Manchester, which works with innovators to discover, develop and deploy new solutions that improve the health and wellbeing of Greater Manchester's 2.8m citizens. Our Oxford Road campus is located on Corridor Manchester, acting as the translational engine room and driving all stages of the innovation pipeline from idea generation to adoption and engagement.

We provide undergraduate and postgraduate medical and dental education, as well as pre- and post-registration training across a range of professional staff groups. We provide much of this in partnership with local higher education institutions including The University of Manchester, Manchester Metropolitan University and Salford University.

Managing risk

The Directors have identified a range of risks that could have an impact on the effective delivery of the Trust's objectives. These risks are managed actively through a Corporate Risk Register and are used to contextualise assurance within the Board Assurance Framework. The Group Risk Oversight Committee reviews all strategic risks bi-monthly, ensuring appropriate mitigation is in place and assuring its effectiveness. The Board Committees and their Sub-Committees are sighted on these risks and review them as required by the lead Director. This review and oversight contributes to the level of assurance associated with the delivery of the Trust's strategic objectives.

The risks identified and actively mitigated during the year related to:

- overall impact of the Trust's response to the Covid-19 pandemic including the potential of failure to maintain the quality of patient services, infection prevention and control, workforce related risks and operational performance (including the establishment of the NHS Nightingale Hospital North West)
- safe and effective management of diagnostic and screening test results

- safe and effective storage of medicines
- compliance with the Trust's appraisal policy
- effective decontamination processes
- capacity of the informatics service to deliver against its service objectives
- effectiveness of Cyber Security controls
- availability and integrity of clinical records
- capacity of the paediatric dentistry team to meet demand for its service
- achievement of JAG (Standards for Endoscopy provision) Accreditation
- safe, responsive and effective delivery of the North West Ambulance Service and North West & North Wales Paediatric Transport Service
- compliance with Human Fertilisation and Embryo Authority regulations in relation to Embryo Storage
- achievement of financial sustainability and stability
- Laboratory Medicine estate
- renal replacement therapy
- staffing in the Maternity Unit
- staffing in the paediatric Emergency Department
- theatre capacity (at Wythenshawe Hospital)
- response to the Ockenden Report.

More information about MFT's risk management process is available in the Annual Governance Statement on pages 147 to 169.

2.2 Rising to the challenge of Covid-19

- **Escalation and collaboration**

At the start of April 2020, MFT was moving into the escalation phase of the pandemic, continuing work that had begun in February and March.

A robust command and control framework was in place to provide the effective leadership and fast decision-making needed as the pressure on health services, particularly demand on critical care, intensified. The principles that underpinned every aspect of our response were that it must be safe, effective, caring, responsive to people's needs and well-led.

The NW region has experienced very high Covid-19 rates, and our teams also worked on surge and super surge plans with partners across the region as coronavirus cases increased rapidly. We are proud to have been part of a massive mutual aid operation across hospitals in the region to ensure none were overwhelmed and that other essential clinical services were maintained. Modelling work by MFT staff and University of Manchester colleagues ensured that the region was ahead of the curve in each wave of the pandemic

Several of our senior colleagues also supported the national efforts to combat the pandemic. By providing modelling analysis and clinical guidance to SAGE, they helped to shape the policies and decisions supporting critical care and other services across the country. Our Research and Innovation teams also played a key role in developing and testing potential treatments for Covid-19.

- **Prioritising safety**

Infection Prevention and Control (IPC) team

The Trust Infection Prevention and Control (IPC) &Tissue Viability (TV) team has played a vital role in helping to plan and implement a wide range of measures to protect our staff and patients during the pandemic.

Led by Julie Cawthorne, Assistant Chief Nurse IPC/TV and Clinical Director of IPC/TV, the team has 46 staff working across the 10 MFT hospital sites and community services. She shares the team's story:

"We had to be adaptable and innovative in our approach as the pandemic evolved. This was guided by the way in which we interpreted, communicated and disseminated national guidance.

"A major part of our workload has been to help reduce staff anxiety by ensuring they received appropriate training and support to gain confidence in the management of Covid-19. To do this, we hosted Q&A drop in sessions, provided teaching and training and produced Standard Operating Procedures for the use of PPE and guidelines for community visits. We also visited areas within the Trust to undertake a risk assessment of facilities and provided advice and guidance as to how to manage the environment.

“The IPC team supported the running of the A&E swabbing PODs and also the logistical planning for the community swabbing programme. We educated colleagues throughout the Trust on the processes around swabbing, PPE and transporting of swabs. Refresher training and practical support was another key area where the IPC/TV team supported colleagues across MFT. We engaged with all levels of staff, reaching across the whole of MFT’s services, which was no mean feat!”

“I am so proud of what the team has achieved, both in responding to the pandemic and maintaining ‘business as usual’ to ensure high standards of patient safety. This whole experience has created stronger networks for the IPC/TV team across MFT, something we are keen to maintain. We’re grateful for all the support and care Trust colleagues have given to us too. Ultimately, this unprecedented situation has cemented us as a team, developing our knowledge, confidence and leadership skills.”

Julie was awarded an MBE in December 2020, in recognition of her outstanding contribution to patient safety and the Covid-19 response.

Julie (centre) with members of the IPC team

Infection Prevention and Control remains a high priority at MFT and we have a strong commitment to reducing avoidable harm due to HCAI (Healthcare Acquired Infections). HCAI rates are closely monitored by the Group Chief Nurse with actions in place to address any exceedances and return rates to below the Trust’s trajectory.

Infection control incidents of *Clostridium difficile* infection increased from 145 reported incidents in 2019/20 to162 in 2020/21. The number of MRSA Bacteraemias has risen from 8 attributable cases in 2019/2020 to 14 cases in 2020/21.

Procurement team

During the pandemic Procurement set up a new distribution centre for the dispatch of Personal Protective Equipment (PPE) that came from central government to all areas of the Trust. The distribution centre is delivering over 8.5million PPE lines each month to 548 locations within the Trust.

Since the start of the pandemic, the Procurement team have distributed 12.4million type IIR facemasks alongside aprons, gloves, FFP3 facemasks, visors and other PPE items.

Case study –Marie's story

Clinical Procurement Matron Marie Green and her colleagues play a pivotal role in ensuring safe, high quality products and equipment are available across MFT's services. Her experience also led to Marie supporting national PPE procurement efforts during the pandemic.

"Seven months into my role as Clinical Procurement Matron, the coronavirus pandemic emerged and our entire focus shifted to securing the appropriate PPE for MFT staff. The Procurement team rose magnificently to the challenge, with our purchasing and materials management colleagues doing an incredible job in securing and getting PPE stock out across MFT. We've also worked in partnership with Trusts across Greater Manchester on a 'mutual aid' programme to share PPE supplies.

"NHS collaboration has been vital in protecting staff and patients. Barbara Rimmington, Head of Purchasing, and I also volunteered to join a national technical advisory team working for the Cabinet Office, and through this received specialist training on how to identify fake PPE products and false quality documentation on items being sold. We received a personal thank you from Health Secretary Matt Hancock and Lord Deighton, who led the UK's PPE procurement programme, for our contribution.

"We're now supporting the MFT service recovery programme, and looking at potential innovations that will help to reduce future infection risk. I'm so grateful to have this career opportunity at MFT and it's been an incredibly busy first year in post. It's a privilege to be part of such an amazing team and I'm very proud of how everyone in Procurement has supported our frontline colleagues."

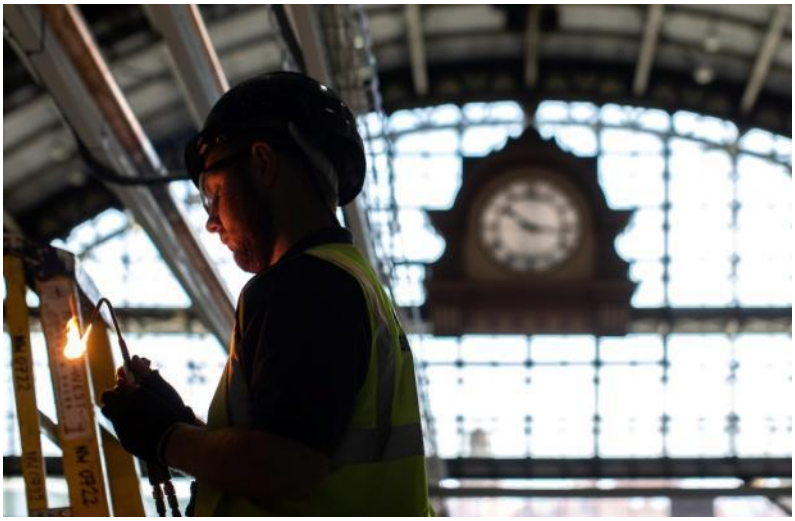
MFT's Procurement Team were recognised with five awards at the National Health Care Supply Association (HCSA) Awards for their incredible contributions to procurement in 2020

- **Delivering the NHS Nightingale Hospital - in two weeks!**

The NHS Nightingale Hospital North West opened on 13th April 2020 as part of the government's response to the Covid-19 pandemic. 104 patients were admitted to the Nightingale for medical care including oxygen therapy in its first operational phase, before it was placed on standby in July when Covid-19 subsided. As the number of cases began to increase in the autumn, the Nightingale was reopened on 28th October 2020 to support the region's hospitals.

More than 350 patients have received care and rehabilitation at the Nightingale during the second operational period. As the vaccination programme began to have an impact and the prevalence of the virus was reducing, the Nightingale was stood down on 31st March 2021.

The Manchester Central Convention Centre was transformed into the Nightingale in 13 days. This achievement was delivered by a partnership including the NHS, the armed services, UK-Med, IHP, Mott McDonald and Ernst & Young. A thousand construction workers were involved.



Key facts
28 miles of power cabling laid
14,500m^2 of flooring installed
4.2 miles of copper piping

The workforce comprised staff from Manchester University Foundation Trust, other NHS organisations, Go To Doc, NHS Professionals, Interserve and G4S, and many colleagues came out of retirement to lend a hand.

"The Nightingale staff are absolutely outstanding. Nothing is too much trouble for them, and they make a real effort to get to know the patients and make them feel cared for and important." Bill, patient (*left*)

"I must say I have never been looked after like this, it's like being in the Grand Hotel." Ivy, patient (*left*)

Case study – Margaret's story

Many MFT colleagues responded to the opportunity to join the team at the NHS Nightingale Hospital North West. Sister Margaret Young, Nurse Manager at the Manchester Royal Eye Hospital Outpatient department, has worked for the NHS for 34 years. She reflects on her deployment experience as a ward manager/clinical advisor on the night shift at the Nightingale.

"When I was given the opportunity to volunteer at the Nightingale I was so excited to be part of a national response and step up on behalf of the nursing profession.

"My own department patient flow changed as the pandemic hit the UK. So when the opportunity came it felt like a once in a lifetime experience to work in a field hospital caring for patients in the NW of England through this unknown pandemic that had gripped the world. When I attended the intensive training over the Easter weekend, I was nervous as to what to expect.

"The unique experience and the challenges we faced as a workforce have taught me how to draw on my resilience, determination and excellent teamwork and I am so proud to have represented MFT. We were looked after and supported by the Employee Health & Wellbeing team, the public and for me personally my grandchildren, who sent me cards and videos to cheer me up."

- **Caring for our staff**

An immediate priority was to develop support programmes for all our staff. Whether colleagues were on the frontline, in support roles or shielding and working from home, everyone was contributing to the overall Covid-19 response.

You can read more about:

- The Employee Health and Wellbeing service, which provides 24/7 support to staff with mental, physical and emotional health on page 129-30.
- The staff flu vaccination campaign which was delivered across MFT to protect all colleagues on page 129.
- The generous donations of food, beverages, meals and other items by businesses, charities and local residents to be shared among our staff on page 58.

Staff were also provided with lateral flow self test kits so they could do a Covid-19 test twice each week. This can help to identify whether or not staff need to self-isolate, understand the prevalence of infection and identify “hot spots”, and control and reduce the spread of infection to ensure that staff, patients and colleagues are kept safe.

A Trafford Local Care Organisation Covid-19 vaccination team

Colleagues at Wythenshawe Hospital prepare for a Covid -19 vaccination clinic

Planning and vaccinator training accelerated in the autumn of 2020, with the first Covid-19 staff vaccination clinics opening in December. By 31st March 2021, over 74,000 staff, colleagues from partner organisations and patients had been vaccinated, including those receiving their second dose of vaccine.

During 2020/21, the MFT Emergency Preparedness, Resilience and Response (EPRR) Team also facilitated an ongoing informal debriefing process on the Trust response to the Covid-19 pandemic. This helped to dynamically capture staff feedback on learning and good practice, and use it to deploy the best response possible.

A special commemorative badge was presented to all MFT staff in recognition of their exceptional team work, resilience and compassion during the Covid-19 pandemic.

Case study

'Wellbeing Rooms' were introduced at MFT as part of a plan by the NHS to support employees' mental wellbeing during the Covid-19 pandemic. Also known as 'wobble rooms', they are a permanent safe space for staff to relax, grab a cup of coffee and have some time to reflect and recharge away from the clinical area.

The rooms are a comfortable area with soft furnishings, as well as a computer, where staff can access the Trust website's health and wellbeing pages. Donations of snacks, drinks, pamper packs and other items poured in from local businesses and charities. MFT staff and their families also got involved by making cakes and supplying home cooked meals. Here is some feedback from MRI staff:

"When you see a member of staff struggling, the wobble room is a great way of being able to connect with people and offer support away from their clinical work".

"We have been there with patients holding their hands during the final moments when families have been unable to. It's been tough. Which is why it is so important that we find ways to support each other".

"Staff have told us the wellbeing hubs are the things that they don't want to change when it's all over."

"The 'Wobble Room' is an amazing quiet space to escape to get your thoughts back together"

- **Impact of Covid-19 on our operational performance**

Inevitably, responding to the pandemic has had a significant impact on MFT's operational performance during 2020/21 and the number of patients we have been able to treat.

The year began with our elective (planned) treatment and outpatient department programmes being suspended. Resources had to be focused on caring for patients with Covid-19, while national guidelines on distancing, self-isolating and shielding also reduced the number of hospital attendances.

We experienced three waves of the pandemic through the year:

- Mid-April 2020: at the peak of the first wave, 487 patients with Covid-19 occupied 93% of our inpatient bed capacity, with a further 104 seriously ill patients in our Critical Care units.

- Autumn 2020: wave two peaked in early November with 393 Covid-19 inpatients and 45 in Critical Care
- January and February 2021: the third wave saw further high levels of Covid-19 patients treated across MFT, with 453 people occupying inpatient beds, and 64 patients in Critical Care.

Some elective treatment and outpatient appointments were able to resume safely during the summer as new Covid-19 cases reduced. As Covid-19 related admissions began to rise again in the autumn, MFT took the decision to reduce routine elective activity again from the start of November.
This helped to release beds and staff to support critical care demand, and continued through January, February and March.

A key difference between the first and second/third waves was the number of non-Covid patients who also required treatment at the same time as Covid-19 admissions remaining high.

Alongside caring for our own Covid-19 patients, MFT also supported delivery of a 'super surge' plan for adult critical care capacity across Greater Manchester (GM). This meant we needed to offer care for the sickest Covid-19 patients to ensure no GM hospital was overwhelmed. As well as providing mutual aid across GM, we were also part of the NHS national response programme and supported hospitals in the Midlands.

The need to prioritise Covid-19 patients and stand down elective activity for significant periods from March 2020 means MFT is now facing a large backlog of non-Covid care. For example, we have seen a significant rise in the number of patients waiting longer than 52 weeks for treatment.

Safety has remained a priority throughout, with all patients with long waits being clinically assessed and prioritised for treatment whenever possible.

Our recovery plans

We have a dedicated Recovery and Resilience Board to oversee MFT's recovery programme, with a focus on operational delivery. It is clear from the ongoing cases of Covid-19, and specifically the extended impact of the second and third waves, that recovery during 2021/22 will be both challenging and complex.

The following key principles have been developed to underpin our recovery while maintaining patient safety and minimising potential harm associated with long waits. It is also important to acknowledge the role that staff have played through the pandemic so far and support them through recovery:

- How we operate – reshaping the MFT operating model and working collaboratively with Greater Manchester, regional and national partners to develop our planning.
- Minimising patient harm and maximising patient safety – allocating available capacity based on clinical need and ensuring equity of access using Greater Manchester resources.
- Supporting and developing staff – prioritising staff wellbeing, recruitment, and retention.

- Maintaining a safe environment – focus on infection prevention and control and minimising transmission of Covid-19.
- Maximising available capacity – effective use of key resources and accelerating discharges to ensure where possible patients are treated in the community and in their homes.

In caring for our patients over the past year, staff at all levels have had to manage significant change. We are putting in place robust organisational development and transformational support to help our teams to develop and embed new ways of working, so they can continue to support our patients.
Given the extreme pressures on Emergency Departments, inpatient and critical care beds as a result of Covid-19, we are continuing to work closely with partners to provide added focus on effective and timely discharge. As a result, MFT has seen reductions in the number of long stay patients.

Here are two examples of how we have collaborated with local and national partners to ensure patients get the most appropriate care and support whilst also reducing pressure on frontline services and staff during the pandemic.

Better Back Home: working together to reduce patient delay
During the pandemic, it has been more important than ever to ensure patients are discharged home or transferred into community services as soon as they are ready.

To achieve this, our hospitals are working closely with Manchester and Trafford Local Care Organisations (LCOs) which provide our integrated NHS community health and adult social care services. This includes services that support patients to be discharged from hospital in a timely way once they are medically fit for discharge.

Multidisciplinary hospital teams ensure that delays are minimised, and support services are in place for patient discharge. This includes arranging for specialist equipment or home adaptations, dispensing medication, and arranging transport in advance to ensure patients can leave promptly without any delays.

NHS 111 First rollout in Greater Manchester
MFT has worked with organisations across Greater Manchester and the North West to implement the new NHS 111 First programme which launched nationally in February 2021. NHS 111 First is part of a national integrated programme to improve outcomes and experience of urgent and emergency care.

To keep patients who are thinking about attending an emergency department safe and allow them to maintain social distancing, they are asked to contact NHS 111 first. The service books them into the right service to meet their needs and this will include timed appointment slots in emergency departments, where appropriate.

NHS 111 First ensures that patients who need urgent help can access the clinical service they need, first time, both in and outside of hospital, with the convenience of a booked appointment or time slot. Importantly, it also reduces the risk of Covid-19 transmission between patients and to staff by reducing crowding in waiting areas. All patients who need an emergency response still receive one and no patient is turned away if they arrive at an emergency department.

Performance priorities

- Urgent care

Attendance activity reduced significantly at the start of the year as a result of the Covid-19 pandemic, with footfall down by 40% on the previous year numbers. Patient numbers increased steadily in the first half of the year, but as a result of the second and third Covid-19 waves attendance numbers have remained consistently below last year across the full 12 months. At 31st March 2021, total attendances were 74% of those seen in 2019/2020.

MFT has experienced normal winter pressures with non-Covid attendances remaining high. The condition of patients, limitations on bed capacity due to Covid-19 outbreaks, social distancing requirements and flow restrictions at times of high attendance all had an impact on performance. The Covid-19 position has improved slowly at the year-end.

We have consistently performed better than the average of acute trusts across Greater Manchester across the year. Safety remains a key priority across our Emergency Departments and there were no 12-hour trolley waits in our Emergency Departments. However, timely ambulance handover has suffered at times of high pressure due to suspected Covid-19 cases arriving.

4 Hour Performance	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q4
MFT 20/21 %	90.18	93.40	91.60	91.80	88.20	86.30	81.07	77.40	76.10	75.95	79.96	82.41	79.69
MFT GM Rank	3	3	2	2	3	3	2	2	3	3	4	3	3
NMGH 20/21%	88.10	87.90	81.00	82.40	79.40	75.80	68.20	69.20	70.00	71.00	72.02	72.30	*
GM %	89.80	93.30	90.50	89.50	86.20	82.40	76.30	74.70	74.30	75.30	79.43	79.97	78.34
National %	90.35	93.50	92.78	92.13	89.25	87.28	84.42	83.84	80.28	78.51	83.92	86.14	83.14

- Cancer

As expected, the Covid-19 pandemic resulted in a reduction of total GP referrals for suspected cancer. However, the referral rate had increased to 130% of pre-Covid levels across MFT sites by the end of March 2021.

Performance against constitutional standards has been challenged by the impact of Covid-19 and restrictions on capacity, with MFT unable to meet delivery trajectories for 2-week wait, 31-day and 62-day standards.

		Target	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
MFT	2WW %	93%	83.2	87.7	76.7	63.2	67.9	64.0	68.9	70.8	73.3	69.0	82.9
	31 Day %	96%	93.2	88.1	90.9	94.5	92.0	91.6	92.1	90.9	89.7	87.9	93.2
	62 Day %	85%	64.2	51.3	64.4	69.3	71.8	57.7	55.4	61.1	65.0	60.5	57.1

		Target	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
NMGH	2WW %	93%	87.6	99.6	98.1	95.5	96.4	93.8	95.8	82.8	58.4	56.2	60.7
	31 Day %	96%	100.0	97.0	98.4	97.8	94.7	98.3	96.9	100.0	98.9	97.6	98.9
	62 Day %	85%	77.7	59.1	64.6	55.2	71.2	70.3	80.0	63.3	79.7	72.7	71.9

During the second half of the year we have however made significant improvements in reducing the longest cancer waits, with prioritisation being clinically led.

- Planned care

Due to the challenging operational environment caused by Covid-19, we are managing our waiting lists in order to treat the most clinically urgent patients first. This will also play a critical role in delivering elective activity within the next phase of recovery, including the clinically led assessment of potential harm.

Through daily meetings of the two Manchester Emergency & Elective Surgical Hubs (MESH) based at our Wythenshawe and Oxford Road campuses, we ensure patients with highest clinical priority are operated on first and there is equity of access across specialties and sites. This includes referral of cancer patients to other hospitals sites within Greater Manchester if required.

At the end of March 2021, MFT had 114,999 patients (of which 13,777 were over 52 weeks) waiting for treatment, resulting in approximately 11.98% waiting more than a year. This compares with the national position of 9,248,812 patients waiting - of these 810,147 waited more than 52 weeks, equating to 8.76%.

- Outpatients

We have promoted use of virtual outpatient appointments and 38% of consultations are taking place virtually - this could be by video or telephone. Undertaking appointments this way has benefitted patients through speeding up access to specialist clinicians in the comfort of their own home without the need for travel and saving them time.

Innovations continue to be made, using virtual triage to further support GP colleagues with advice and guidance. Development of Patient Initiated Follow-up (PIFU) will enable patients with suitable conditions to manage their condition better without the need to attend routine follow-up appointments where a trip to a hospital is not required.

- Diagnostics

The first quarter of 2020/21 saw the continuation of a 2019/20 year-end trend in the increased number of six week breaches, and total wait list numbers. Again, this was as a result of the first wave of Covid-19, with a significant and rapid decrease in the number of tests performed.

Despite second and third waves of Covid-19, however, there has been consistent improvement in both the total wait list with a 3,000 reduction at year-end, and the number of six-week breaches which are a third of those at June 2020.

- **Prioritising Covid-19 research**

MFT is at the cutting-edge of healthcare research, innovation and life-sciences in the UK. Throughout 2020/2021, the skills, expertise and experience of our staff, coupled with our world-class facilities and hosted research and innovation (R&I) infrastructure across Greater Manchester (GM),have been used to address the urgent priorities for research and innovation as part of a global, coordinated effort to enhance understanding and develop potential treatments for Covid-19.

MFT R&I's response to Covid-19

By the end of March 2021, 40 Covid-19 studies had opened at MFT, with nearly 10,000 participants recruited. These included treatments, data, diagnostics, and observational studies. In November 2020 MFT opened a Phase 3 Covid-19 vaccine study, consenting the first participant in the world to the trial.

Along with patients admitted to our hospitals with suspected or confirmed cases of Covid-19, MFT staff and their children, and healthy local residents have also taken part in studies, with several studies facilitated through the MFT-hosted NIHR Manchester Clinical Research Facility (CRF). With dedicated world-class research space across GM, including sites at Manchester Royal Infirmary (MRI), Royal Manchester Children's Hospital (RMCH), and Wythenshawe Hospital, Manchester CRF created secure and safe areas within the facilities to conduct Covid-19 research, whilst continuing to provide dedicated research space for both children and adults requiring the continuation of critical life and limb-saving clinical research studies.

The need for urgent priority research saw the unprecedented move of scientists and clinicians across Greater Manchester forming a Research Rapid Response Group (RRRG) to find ways to beat Covid-19 and save lives. Chaired by Professor Ian Bruce, Director of the MFT-hosted NIHR Manchester Biomedical Research Centre (BRC) and Professor of Rheumatology at MFT's Kellgren Centre, the RRRG harnessed the power of hundreds of researchers from The University of Manchester (UoM) as well as clinical colleagues at MFT and across GM.

"The impact of COVID-19 on our NHS services was immense and we have been challenged like never before. That's why it was imperative that the cutting-edge research and innovation we are proud to have at MFT joined with our academic and clinical partners across Greater Manchester, and the rest of the UK, to support the worldwide effort to tackle Covid-19.
Through testing, treatments, and vaccines, the impact of research and innovation has been truly lifesaving and world-changing for every one of us."

Sir Michael Deegan, MFT Group Chief Executive

Covid-19 research studies at MFT included the RECOVERY trial – the largest global Covid-19 treatment trial, taking place at five MFT hospitals: Manchester Royal Infirmary, Wythenshawe Hospital, Trafford Hospital, Saint Mary's Hospital and the Royal Manchester Children's Hospital.

In July 2020, MFT researchers, including Dr Tim Felton, Honorary Consultant at Wythenshawe Hospital and the MFT clinical lead for Covid-19 research, co-authored an international peer-reviewed paper in New England Journal of Medicine indicating the that the low-cost drug, dexamethasone, 'significantly lowered' death rates in patients hospitalised with severe respiratory complications of Covid-19. This drug has now become standard care for Covid-19 patients at MFT and was the first treatment breakthrough.

In February 2021 it was announced that tocilizumab, an anti-inflammatory rheumatoid arthritis treatment also part of MFT's RECOVERY trial, reduced the risk of death for hospitalised patients with severe Covid-19. Previously introduced as standard care for critically ill patients following the results of the REMAP-CAP study (also taking place at MFT), the treatment also became part of standard care at MFT for Covid-19 patients.

"The short timeframe between our first MFT participant being recruited to the RECOVERY trial in March, to our first Covid-19 patient receiving dexamethasone as a standard NHS treatment in June, was an incredible turnaround."

Dr Tim Felton, MFT clinical lead for Covid-19 research

MFT has remained one of the top recruiters for RECOVERY in the country and has regularly exceeded the national target of 10 per cent of all admitted Covid-19 patients to be consented onto the study (introduced in January 2021).

We are also one of leading recruiters for the paediatric arm at the Royal Manchester Children's Hospital, as well as the number one recruiter in the country for the pregnancy arm of the study through Saint Mary's Hospital.

Professor Rick Body, Emergency Medicine consultant at Manchester Royal Infirmary, Director of MFT's Diagnostics and Technology Accelerator (DiTA), and new MFT Group Director for Research and Innovation, is co-lead for the Covid-19 National DiagnOstic Research and Evaluation Platform (CONDOR).

This is a multicentre programme of research to evaluate the effectiveness of new diagnostic tests performed in hospitals, general practices and care homes, that may give doctors Covid-19 results in minutes rather than days. MFT's DiTA was part of a collaborative partnership with four NIHR Medtech and In vitro diagnostics Co-operatives (MICs) from around the country, and crucial to the success of the study.

Professor Body is also leading the hospital-setting arm of the study, FALCON, which is running at more than 80 sites across the country. MFT was the top national recruiter to the study with more than 900 participants recruited.

"The FALCON study could mean that clinicians can make fast, accurate decisions about a patient's care – sometimes within minutes. That includes decisions about which wards or areas a patient can receive care in, rather than the standard laboratory tests, which can take 24 hours or more."

Professor Rick Body, CONDOR co-lead and MFT Group Director for Research and Innovation

More than 1,200 MFT staff were part of a Public Health England (PHE) population study to better understand Covid and how best to test for it. MFT was the only NHS site for the ESCAPE-COVID study. The results of the study, announced as a pre-print in November 2020, discovered T-cell immunity against SARS-CoV-2 – the virus which causes Covid-19 – was likely to be present within most adults for at least six months after infection.

Many children of MFT staff also took part in Covid-19 research as part of the COVID Warrior UK-wide study, assessing the numbers of children under 15 who may have had coronavirus, and if they have antibodies that may be able to fight off the infection. The 'What's the STORY' observational study evaluated the prevalence of antibodies against coronavirus in healthy children and adolescents from across GM.

Several of the first UK participants in Covid-19 studies were recruited at MFT, including to the OSCAR study - trialling the impact of an experimental arthritis drug, otilimab, on severe lung disease related to Covid-19, and the first participant on the RECOVERY trial to receive a convalescent plasma transfusion.

Members of the OSCAR research study team

Staff in the Intensive Care Unit at Wythenshawe Hospital developed Bubble PAPR, a Powered Air-Purifying Respirator (PAPR) that could provide a significant breakthrough for both protecting staff and improving communication with patients.

Dr Brendan McGrath, Intensive Care Consultant at Wythenshawe Hospital and the project clinical lead, and his team worked with commercial partner and UoM in creating the prototype which has already been nominated for a number of awards.

MFT's national reputation as a leader in public and patient involvement and engagement continued, through Vocal (formerly The Public Programmes Team) including production of the international webcomic for young adults; Planet DIVOC-91 (which was kick-started with seed-funding from Manchester BRC).

Case study: Consenting the first participant in the world to a Phase 3 Covid-19 vaccination study

MFT was chosen as one of 17 UK sites to deliver a leading Phase 3 Covid-19 vaccination study testing the safety and effectiveness of a new two-dose vaccine regimen developed by The Janssen Pharmaceutical Companies of Johnson & Johnson in preventing moderate to severe/critical coronavirus disease.

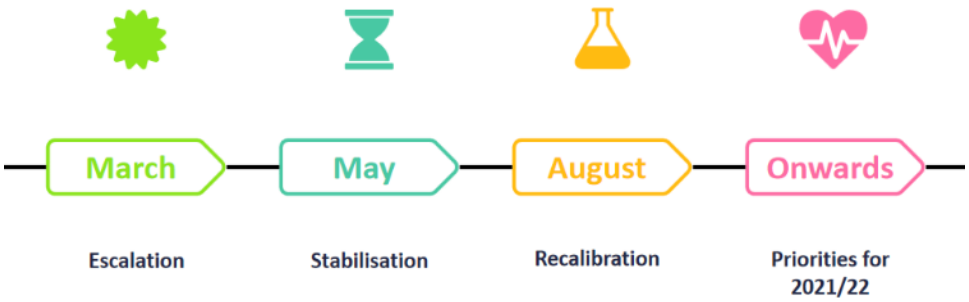
The first participant in the world to be consented onto the trial was Dr Claire Cole (*below right*), Head of Research Delivery at MFT. Across the UK, volunteers from a variety of age groups and backgrounds – including some of the thousands who registered to be contacted about vaccine studies through the NHS Covid-19 Vaccine Research Registry – have been taking part in the study.

Claire said: "Although I have worked in health research for a number of years, I never cease to be amazed by the life-changing, and sometimes lifesaving, impact research can have. This has never been truer than during the Covid-19 pandemic, where I have seen first-hand how rapidly clinical research can be translated into treatments for our patients.

MFT's multi-disciplinary research vaccine team recruited 405 participants to the study, exceeding its target of 400 within just eight weeks, part of the 30,000 required participants across the world. All study participants will be monitored for 112 weeks after their first dose

Dr Tim Felton is the Principal Investigator at MFT for the Janssen Phase 3 study. Dr Felton, who is also a Senior Lecturer at The University of Manchester and a researcher within the NIHR Manchester Biomedical Research Centre (BRC) Respiratory Theme, said: "Throughout all the research we have undertaken into Covid-19 at MFT, finding a safe and effective vaccine has been the top priority. It is critical that we explore a range of vaccination options to give us the greatest chance of protecting as many people as possible."

- **Recovery and transformation**



Led by the MFT Transformation Team, the MFT Covid-19 Recovery Programme asked our Hospitals and Managed Clinical Services to share information on some of the positive changes made in response to Covid-19, particularly the changes that they wanted to sustain.

A number of key themes have been identified:

- Improved productivity through use of technology – at clinical level, meetings, interviews, training.
- Improved collaboration - within MFT and with partners.
- Increased mutual recognition and respect for teams and their skills and capabilities.
- Gratitude for recognition of effort – treats and messages of support.
- Rapid implementation of initiatives which would have ordinarily taken longer – remote radiology reporting, virtual clinics.
- Engaging and supporting patients and carers remotely using technology.
- Creative use of estates and physical capacity.
- Flexibility and adaptability in how we work – hours, locations, teams, skills.

These themes will have a significant impact as we develop our plans for the future. Rather than just restoring patient services, we want to transform them and use what we have learned from the pandemic response to help make MFT an outstanding place to receive care and to work.

The Transformation Team will work with colleagues across MFT on practical steps to improve each patient's journey through our services, boost staff productivity, make maximum use of our buildings, facilities and resources, introduce more single site/integrated working and support our patients who want to take more control of managing their condition and treatment. They will do this by:

- Promoting standardisation and waste reduction
- Maintaining and improving operational processes
- Improving efficiency and effectiveness of clinical pathways
- Introducing new and improved clinical models and supporting best practice
- Supporting innovation and adoption of new approaches
- Delivering sound and effective change management, supporting teams through the change
- Demonstrating data driven improvement.

- **Continuing with non- Covid-19 research and innovation**

Our Research and Innovation (R&I) infrastructure

Led by Professor Neil Hanley, MFT Group Director for R&I (until October 2020), Professor Rick Body, MFT Group Director for R&I (Nov 2021-) and Dr Iain McLean, Managing Director for R&I, research and innovation is conducted across our Group's hospitals and local care organisations. It covers general care and hospital specialisms, including; emergency care, respiratory disease, cancer, cardiology care, musculoskeletal disorders, genomics, women's health and pregnancy, children's health, eye and dental health.

This work is supported by over 500 staff, including our Research Office, Clinical and Non-Clinical Research Delivery Teams, and Innovation Team, along with our colleagues from MFT-hosted organisations, one of the largest National Institute for Health Research (NIHR) portfolios in the country, comprising:

- NIHR Manchester Biomedical Research Centre (BRC)
- NIHR Manchester Clinical Research Facility (CRF)
- NIHR Clinical Research Network Greater Manchester (CRN GM)
- NIHR Applied Research Collaboration Greater Manchester (ARC GM)

We also host Health Innovation Manchester (HInM), Greater Manchester's academic health science and innovation system which includes the Manchester Academic Health Science Centre (MAHSC).

Led by MFT researchers, Manchester BRC and Manchester CRF have just completed successful fourth years of their current funding round, providing platforms for MFT research staff to conduct experimental medicine and transform scientific breakthroughs into diagnostic tests and life-saving treatments. This research has been more crucial than ever during the Covid-19 pandemic.
Due to concentrated efforts to set up and support Covid-19 research activity studies to understand and treat Covid-19, and to ensure public and patient safety, changes were made to the way we conduct research at MFT.

In line with directives from National Institute of Health Research (NIHR) and England's Chief Medical Officer, Professor Chris Whitty, NIHR Covid-19 Urgent Public Health (UPH) studies were prioritised, along with our existing research studies providing treatment essential to saving life or limb. This required the majority of our existing research studies to be paused.

Over the course of the year, around half of those paused studies have been able to be reactivated, although the winter surge of Covid-19 cases disrupted recruitment to non- Covid-19 studies. As 2021 progresses the intention is to reactivate the remaining studies whilst maintaining public and patient safety and continuing to support the ongoing priority UPH studies.

Despite these challenges and the redeployment of research staff to frontline care, we have still seen some ground-breaking results across diverse clinical areas, including:

- A simple non-invasive test to accurately detect womb cancer
- A non-invasive test to detect endometrial cancer
- Changes to NICE recommendations for Lynch syndrome screening

- A drug with the potential to improve heart function in women diagnosed with pre-eclampsia during their pregnancy
- ID Liver consortium to help patients with liver disease receive earlier, more accurate, and potentially life-saving diagnoses
- Promising early results for a potentially revolutionary brain disease therapy in children
- First recruit to a national database of inflammatory disease patients (NIHR IMID Bioresource)

Across our whole research portfolio in 2020/2021:

- 19,314 participants recruited to research studies
- 1,030 clinical studies were active during the whole or some of this period, with 156 new studies started in 2020/2021*
- 113 external researchers were enabled to conduct research across MFT via research passports.

*This includes 40 COVID-19 research studies.

To support the growing use of data and informatics in driving forward research, innovation and commercial partnerships, MFT has established a Clinical Data Science Unit (CDSU) in partnership with UoM. This unique opportunity brings together resource and expertise in modelling, health informatics, Artificial Intelligence (AI)/machine learning, virtual reality approaches, and data science input into clinical imaging. The mathematical modelling arm of the CDSU has been critical during Covid-19, enabling us to assess the impact of the pandemic and allocate our resources to the areas most in need, and provide an informed system-wide response.

MFT is part of a new multimillion-pound consortium behind the Christabel Pankhurst Institute for Health Technology, a research institute that will maximise Manchester's academic strengths in digital health and advanced materials to discover innovative health and care solutions.

Citylabs, Manchester's world-class health innovation and precision medicine campus, a joint venture between MFT and Manchester Science Partnerships (MSP), moved a step closer following the Citylabs 2.0 practical completion. Based at MFT's Oxford Campus, Citylabs 2.0 will create and support up to 1,500 jobs and adding almost £150m to Manchester's economy over the next decade, as part of a £95m expansion to the campus following Citylabs 1.0 which is already home to a thriving cluster of diagnostics, medtech, digital health and genomics businesses which are driving the future of medicine and healthcare.

2.3 Highlights from our Hospitals, Managed Clinical Services and Local Care Organisations

We would like to share just a few of many examples that demonstrate how our teams have responded to the challenges of managing the coronavirus pandemic while continuing to care for patients. Their commitment, resilience, innovation and sheer hard work have been outstanding.

Manchester Royal Eye Hospital (MREH)

A significant number of our staff were redeployed to support clinical areas across the Trust as an integral part of the response to the Covid-19 pandemic in 2020. They were supported by line managers visiting their new areas of work or using virtual platforms to stay in touch.

All areas of MREH embraced new ways of working using IT to develop services to ensure that patients were reviewed according to clinical need. Optometrist-led telephone-based consultations were developed, with an option of bringing patients into a face to face clinic if required.

The Emergency Eye Department (EED) based at MREH remained open during the pandemic. There was a risk that patients with urgent eye health issues, would find it difficult to access ophthalmic care with potential implications for their sight and long term eye health

Greater Manchester CCG commissioned the Covid Urgent Eye Scheme through Primary Eye care Services. An electronic referral platform (OPERA) allows community optometrists to refer patients directly into EED and transfer images, which enables effective triage of patients. Support and feedback is provided by hospital based optometrists (*left*) and clinicians.

The MREH Outpatient Department developed extended opening times from 8:00am to 8.00pm and longer hours on Saturday, to allow for increased patient access while adhering to infection control policies and social distancing guidelines.

Manchester Royal Infirmary (MRI)

To keep everyone safe during the pandemic, no visitors were permitted to any wards, except in defined exceptional circumstances. The inpatient medical specialty ward teams recognised the importance to patients of maintaining contact with family and carers whilst they were in hospital. Staff tried to arrange other means of communicating, such as telephone calls, video calling and texting but were overwhelmed by the call volumes.

In response, a ward communication team was established to support patients and families to maintain contact, consisting of staff deployed from other clinical teams. The team were able to solely concentrate on communication issues, agreeing meetings with medical staff and to enable video calling between patients and relatives, sometimes for hours and even sometimes in the last hours of a patient's life. The impact was to vastly improve a stressful time for patients, families and the ward teams and provide a positive experience in such a difficult time.

The delivery of clinical services, including out-patient attendances, was reduced to only the most acutely urgent and unwell patients coming to hospital for consultation or treatment. The MRI out-patient service delivering over 500 consultations a week was reduced to virtually zero within a week at the end of March 2020. But patients still required support to ensure they remained safe and well and to reduce the impact of suspended planned care in future months.

Urology led the way (*left*), with clinics converted to telephone consultations and by May 2020, the Urology Department had piloted the first clinics run via the Attend Anywhere Virtual platform. Processes were developed to manage over 90% of consultations via virtual methods, and full implementation of the virtual clinic service was completed in June 2020

Transplant patients received government guidance to shield during the pandemic. Face to face clinic attendances were therefore reduced to minimise risk. The department's administrative team were receiving increased calls for support reassurance for patients managing their condition remotely. The Transplant team set up a 'hotline' staffed by clinicians (*right*), to safely deal with patient's concerns. This enabled patients to maintain contact with the clinical team without coming to hospital and staff to provide practical and supportive advice to help patients manage their condition from home.

One key issue faced by the MRI was how to receive, share and benefit from the learning and knowledge that was being created during the pandemic. We held a series of rapid learning events, to pull together senior leaders from across the MRI, to share and receive information, thoughts, solutions and challenges. Staff felt engaged in solutions, received practical education and had a safe place to express opinions for open discussion.

North Manchester General Hospital (NMGH)

The past year has seen North Manchester introduce a number of initiatives to support colleagues and to ensure safe, effective, quality care was delivered to patients and families during the pandemic.

These include:

- Introducing a **Clinical Response Team** that re-imagined and revised the FY1 rotas to spread the out of hours on-call rota among FY1 doctors and encourage peer-to-peer support, adequate rest and recuperation and increased FY1 availability as part of a broader team that responded to Covid and non-Covid demand.
- The **Palliative Care Team** helping to shape national guidance on End of Life (EoL) Care and within the hospital supporting teams in delivering best practice to EoL patients through the 'Swan' and 'Cygnet' model.
- Launching a **NMGH Covid-19 vaccination clinic** that resulted in 94% of colleagues having their first vaccination by February 2021 - within weeks of opening. The clinic went on to deliver more than 13,000 doses of the vaccine by mid-April 2021. This figure includes first and second doses for staff, suitable patients and family members in cohorts identified by the Joint Committee on Vaccine and Immunisation.
- Setting up a **Respiratory High Care** area three times, in waves 1,2 and 3 of Covid demand, to support Critical Care and increase the High Dependency capability and overall capacity which allowed NMGH to care for the sickest patients without moving them out of the hospital.
- Increasing the **virtual and video clinic** activity from 3% to 38% over the past 12 months.
- The involvement of the Regional Infectious Diseases Unit at NMGH in the **NIHR Covid Vaccine Research Programme**, and seven Covid-19 studies.
- Joint work between **Children's Services and Urgent Care** to expand the Emergency Department footprint to improve social distancing and reduce the risk of nosocomial (hospital acquired) infections.

Being under the management of MFT, but working within the Northern Care Alliance's systems and processes, also resulted in NMGH:

- Establishing PCR and antibody testing capacity on site, in addition to Test and Trace capacity.
- Developing a support framework for staff, based on that of the National Psychological Society.

- Providing external psychological support for staff in high impact areas and reviewing the overall wellbeing offer to staff including on-site catering provision.

The last 12 months have seen colleagues work in new teams, work flexibly, acquire new skills, and work beyond boundaries and job roles. All staff, all job roles, working on site and at home, contributed to the hospital's response to the pandemic. This extraordinary time has shown the great value NMGH places on personalised, individualised, dignified care and its commitment to using innovative approaches to deliver that.

NMGH staff worked hard to keep patients and colleagues safe during the pandemic

Royal Manchester Children's Hospital (RMCH)

Initiatives undertaken across our services in the last 12 months to support the Trust response to the Covid-19 pandemic include:

- The temporary closure of the Starlight Unit at Wythenshawe Hospital in order to create additional bed capacity for adult services.
- The relocation of our Paediatric High Dependency Services into the Paediatric Burns Unit to support the delivery of Adult Intensive Care capacity within our Paediatric Intensive Care Unit.
- The temporary redeployment of our nursing and medical staff to paediatric and adult critical care and other adult services.

In April 2020, the drive through/walk in Paediatric Covid-19 swabbing pod, located in the Hathersage Road car park, was opened (*left*).

This was a positive step forward for the hospital in ensuring our elective surgery could continue whilst keeping our patients, families and staff safe from cross infection.

The same month, the RMCH Theatres team established a 'walk in, walk out' day case surgery service (*right*) - with the aim of reducing the time children need to spend away from home. Additional benefits also include reduced waiting times and fewer hospital acquired infections, plus less social and financial strain on families.

In June 2020, RMCH opened our surgical admissions unit on the Oxford Road site. The unit, which comprises 10 beds, cares for unplanned surgical patients across all specialities while they await their Covid-19 swab results. The ward also takes all minor surgery returners who had previously attended the surgical waiting lounge on Ward 77. To date, feedback has been positive from our families due to an improvement in patient flow across the hospital and a reduction in delays accessing a bed.

Both Community Child and Adolescent Mental Health Services (CAMHS) and our inpatient ward, Galaxy House, have remained open throughout the pandemic. They adapted quickly to the Covid-19 capacity limitation by offering phone, video and safe face to face contact with our patients and their families. During 2020 we created a new CAMHS offer to support young people and families in being resilient and thriving (early help) before they require a referral to specialist NHS services.

Saint Mary's Hospital Managed Clinical Services

The Maternity teams across MFT in both hospital and the community settings listened to the family's needs, planned with the experts and engaged with the community support networks to maintain the Obstetric Services to the highest standards of safety to provide the best patient experience and ensure staff safety as well.

The Maternity teams, Maternity Voices Greater Manchester & East Cheshire (MVPS) and Tommy's baby research group actively encouraged women to continue to attend the hospitals for appointments and to call for advice if they had any concerns.

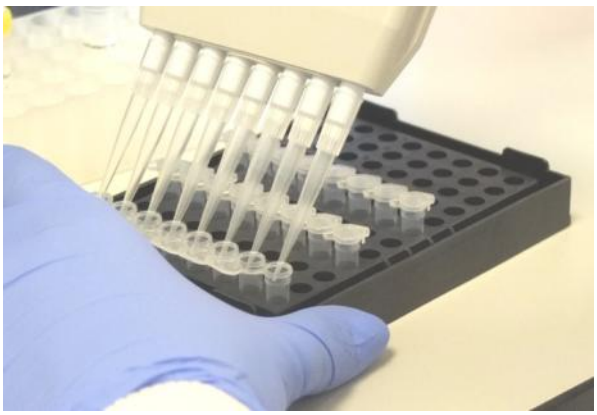
An Obstetric Covid-19 Advice line was established and staffed by midwives who needed to avoid direct patient contact.

Telephone bookings were introduced to support women and community services were re-provided in hub settings across the city due to access changes to GP surgeries. Home births services were temporarily suspended initially but have now been reintroduced.

In Newborn Services, FiCare (Partnership in Care) continued to be promoted during Covid-19, supporting families to maintain and develop bonds during lockdown. Following the introduction of national guidance, the service was one of the first to ensure that both parents were supported to provide care at the cot-side. The team recognised that the long-term impact on families of this separation may seriously affect family relationships in the future. The use of the 'Badger' (electronic neonatal system) diary (*right*) has been crucial to enable virtual communication with families who are self-isolating and unable to attend Newborn Services and spend time with their baby.

For the Division of Gynaecology, relocating departments and redeploying staff across the MFT footprint has maintained services which are safe, effective and efficient, providing appropriate environments for patients requiring urgent and ongoing treatments for a range of life threatening gynaecology/oncology conditions.

The Sexual Assault Referral Centre continued to work collaboratively with other Victim Services and introduced telephone and video-based elements of the forensic medical examination to reduce contact time and facilitate social distancing.



The team at Manchester Centre for Genomic Medicine continued to see urgent cases. Their links with the GENOMICC NIHR Research study and NIHR BioResource study were maintained and the team actively worked with the National Genomics England team on Covid-19 related research.

University Dental Hospital of Manchester (UDHM)

UDHM continues to work collaboratively with colleagues at Manchester Royal Infirmary to improve the provision of mouth care for inpatients. The UDHM team has been training ward staff through a rolling programme, demonstrating how to provide mouth care and the tools and techniques required. The training has been very successful with nine wards trained so far. UDHM has also developed an e-learning package for all MFT staff which complements the practical training.

In response to the first wave of the Covid-19 pandemic many staff - including 54 dental nurses - were deployed from UDHM to support colleagues and patients across the wider Trust. The dental nurses were redeployed onto inpatient wards and became part of the Family Liaison Team service (*left & below*).

Following the first wave of the pandemic, a team approach was taken to re-calibrating services, adopting new ways of working to ensure the safety of patients and staff. These include video and telephone consultations plus the introduction of an Advice and Guidance service.

UDHM wanted to understand patients' experience about attending the hospital during the recalibration of services and whether they felt safe during the Covid-19 pandemic. A digital survey was sent to a percentage of patients who had attended as services recommenced. Feedback was positive, with 90% of patients stating that they felt the UDHM staff had done enough to ensure their safety. There are plans to repeat the survey in 2021.

Within dentistry, the majority of treatment involves Aerosol-generating procedures (AGPs) which are classed as high-risk. In collaboration with the Trust's Infection Prevention & Control and Estates and Facilities teams, an air filtration system which can safely remove the aerosols generated during a procedure, has been installed. This will enable the hospital to increase capacity and reduce patients' waiting time.

Wythenshawe, Trafford, Withington and Altrincham Hospitals (WTWA)
2020/21 has been a busy year for staff across our WTWA hospital sites with high demand for our services across our inpatients, critical care and emergency departments. The impact of the COVID-19 pandemic has been felt throughout our services; however, despite these challenges our staff have continued to work tirelessly to deliver high quality and safe care and maintain a culture of openness and honesty.

Angie Needham, Therapeutic Activities Co-ordinator on Ward 11 at Trafford Hospital, supports patients during their time on the ward. She worked hard to find a way to engage with patients in difficult circumstances and continued to initiate activities during the COVID-19 Pandemic, adapting them into various small group sessions so that social distancing could be maintained.

Socially distanced therapy sessions in partnership with the Occupational Therapists have included making smoothies and pancakes in the therapy kitchen, gardening, exercise and relaxation groups.

The “Letters to Loved Ones” service was launched across Wythenshawe and Trafford General Hospital sites in October 2020 in response to restricted visiting. It means so much to patients when they receive messages from their friends and family. We received and delivered 161 letters to patients across WTWA and the feedback from patients has been overwhelmingly positive.

To support our staff, the Palliative Care team provided training with simulated phone calls to help nurses and doctors with challenging phone conversations. Doctors rehearse conversions and receive guidance and feedback, and nursing staff practice calls advising family members of a rapid deterioration or death of a loved one. This training provides an opportunity to look at how we can improve and prepare our staff to effectively communicate over the phone, helping relatives and friends to be informed, feel supported and involved in discussions.

A Trainee Nursing Associate (TNA) at Wythenshawe Hospital who was working with patients affected by Covid-19 created a touching memento for relatives bereaved by the virus. Ashton Harris bought 100 heart-shaped keyrings, small bags and tealight candles. Her idea was that if a patient sadly died due to the virus, if the family wished, the patient’s thumb print could be put onto the keyring in ink and placed inside a bag, along with a candle for the family to light in memory of their loved one.

Following much collaboration and planning around meeting the needs of their service users, the Cardiology team at the North West Heart Centre at Wythenshawe Hospital implemented several new ways of working, including drive-in pacemaker checks in the car park and contact-free video appointments which minimise staff contact while supporting patients thoroughly.

In spite of the pandemic, two new services were launched in September 2020. The ELM (Enabling Limb Mobility) Unit at Trafford Hospital (*right*) supports patients on their journey towards discharge following a hospital admission due to a fragility fracture. The OPAL Unit (OAU) at Wythenshawe Hospital cares for senior adults who attend Wythenshawe Hospital Emergency Department in crisis due to an acute deterioration from their usual condition.

The weekly 'Clap for Carers' at Trafford Hospital

Clinical and Scientific Services

As well as performing over 400,000 Covid-19 tests, the Virology team have manned extended hours on the results lines and prepared, delivered and coordinated the return of hundreds of thousands of testing kits to the community and hospital settings we serve whilst maintaining business as usual for all other tests. A significant reduction in turnaround times has been achieved despite the increasing volume of testing.

The Greater Manchester Immunology Service went live with Covid-19 antibody testing on 29th May 2020, following intensive rapid evaluation using samples collected from recovered staff volunteers with PCR confirmed Covid-19 infection.

We have since provided over 50,000 antibody tests for patients and staff groups throughout Greater Manchester and shared our data and samples with colleagues throughout the UK.

The Adult Bereavement Team have provided an integral role in the pandemic response, delivering practical and emotional bereavement support to bereaved families following the death of a loved one in hospital. Alongside the Medical Examiner Service, they developed new and innovative ways of working to meet the needs of bereaved families across the diverse population of Greater Manchester.

The Biochemistry and Point of Care testing (PCT) team supported staff and patients by proactively organised the moving of POCT devices as the ward functions rapidly changed. They also standardised equipment to provide effective training and developed e-learning packages for staff to be able to complete remotely..

A comprehensive workforce skills analysis identified Allied Health Professionals staff with existing Covid-19 related expertise: critical care, respiratory medicine and rehabilitation. An extensive multi-disciplinary training programme was undertaken to upskill 279 staff from other services, including outpatients, to deploy to Covid-19 support.

Core ward based and dispensary Pharmacy services were delivered from 8am to 8pm 7 days a week during the first wave of the pandemic. This was subsequently changed to a more traditional model but with additional flexibility to meet the changing needs of the Trust and maintain social distancing for staff going forwards. The Pharmacy Team have also been integral to the MFT Covid-19 vaccine roll-out programme, leading on the procurement, ordering, distribution, supply, reconstitution, safe storage of vaccines and producing learning packages for pharmacy and medical staff.

As more critical care beds were opened to meet anticipated demand, staff were deployed from across MFT to join Critical Care teams. Over four weeks, a structured two-day training and education programme (*above*) was delivered to 456 staff including nurses with recent/previous critical care experience and those with transferable skills to prepare them for working in a critical care setting.

Manchester and Trafford Local Care Organisations (*images to be added***)**
Community teams have continued to be on the frontline against Covid-19 throughout the year. Even at the start of the pandemic, when much was still unknown, core services including district nursing, crisis response and palliative care continued to visit people in their homes, care homes and other places of residence to ensure that they were looked after and supported.

Many of non-urgent community services were paused between March and June 2020. This released a large number of staff to support essential services and hospital colleagues, including the NHS Nightingale Hospital North West. Over 600 LCO staff were retrained and redeployed in total.

The LCOs used retrained and redeployed staff to quickly established swabbing and testing facilities that allowed NHS colleagues from the acute hospitals and primary care, and members of the public, to be tested quickly for Covid-19. This service was also extended into testing in care homes, while community teams also supported care homes with nursing input at a challenging time.

Community teams across Manchester and Trafford have worked in different ways during the pandemic. Some examples of innovative working include:

- The **TLCO Community Neurological Rehabilitation team** who used a virtual consultation model. As a result approximately 50% of patients reached their goals without requiring an in-person appointment
- **Health visiting and infant feeding services** providing sessions for new mums using video platforms to ensure they still received the professional and peer support they needed despite usual classes and visits not being possible
- A **virtual ward** being developed to support patients with Covid-19to return home sooner with support from the Community Enhanced Care Team. There is an ambition to roll this out to other specialities across the wider system.
- Children's Community Healthcare Services in Manchester providing the **school vaccination programme** over the summer holidays at Manchester City's Etihad Stadium. This ensured that children who missed vaccinations whilst schools were closed in lockdown still received them.
- Integrated **control rooms** being established to coordinate all discharges of patients from hospital. A partnership between health and social care, the control room teams have worked seven days a week to coordinate safe and timely discharges; speeding up processes and freeing up capacity in the hospitals
- Our **dental services** are the only community dental service in Greater Manchester to stay open throughout the pandemic, seeing patients from as far away as Oldham and Wigan. During this time the service have provided care to Additional Needs patients and children who have been referred in with pain or are at high risk of dental caries.
- A pilot of a virtual ward for children with a wheeze. This allows children seen in children's accident and emergency to be cared for at home instead of in hospital.

As well as providing core services, Integrated Neighbourhood Team (INT) leads and health development coordinators have worked with BAME and faith groups, voluntary sector organisations and partners such as housing, police and local businesses in new ways. This has supported equal access to services in the pandemic and a joint approach to sharing information and getting key messages out to communities.

Through the INTs, the LCOs have also supported the roll out of the Covid-19 vaccination, working with Primary Care Networks to vaccinate some of the most vulnerable housebound residents against Covid-19 and influenza.

2.4 Our financial performance

During the financial year ending 31st March 2021, MFT has reported a net deficit after impairments of £32.9m (2019/2020 £27.4m deficit). The Trust's reported deficit includes:

- income from Re-imbursement and Top-up funding of £174.1m (2019/2020 £0)
- £0 (2019/2020 £27.9m) of Provider Sustainability Funding (2019/20 was the final year of this income)
- £6.1m (2019/2020 £4.6m) donated and granted asset income/depreciation
- £77.5m (2019/2020 £47.5m) of impairments.

As a consequence of the Covid-19 pandemic, a change in the finance regime was introduced. In recognition of the increased cost incurred, MFT received Re-imbursement and Top-up funding of £174.1m. This comprised top-up funding for 1st April to 30th September and re-imbursement funding relating to the NHS Nightingale Hospital North West, vaccine and general Covid-19 support funding for 1st October 2020 to 31st March 2021.

The NHS Nightingale Hospital North West was built and opened over a two-week period in April 2020 in response to the Covid-19. This temporary hospital was created within the Manchester Central Convention Centre in order to provide additional bedded capacity to respond to an expected surge in hospital admissions. Closure of the hospital and its subsequent decommissioning was announced in March 2021.

During 2020/21, the NHS Nightingale Hospital North West was operational for clinical admissions for nine of the 12 months, being on standby for the other three months. MFT was asked to host the NHS Nightingale Hospital North West, and as a result the majority of its financial transactions were processed by the Trust and are included in these financial statements. The Reimbursement and Top-up funding detailed above covered its £38.9m costs (£16.1m related to the initial setup, £21m running costs and £1.8m decommissioning costs).

Update from our MFT Charity

Over the past year we have seen some brilliant fundraising taking place in support of our family of hospitals. Despite the shadow that Covid-19 has cast over the last 12 months, individuals, community groups, companies and organisations have shown unwavering support for our charity raising £9,805,000 in 2020/21.

The commitment of our fundraisers has been such that many of our supporters have had to adapt and innovate their fundraising to fit within government guidance and in doing so our supporters have enabled the Charity to continue to fund excellence in treatment, research and care for over 2.5 million patients, and their families, who use our hospitals each year.

We began the financial year with a much different focus to our normal activities – caring for our Trust staff during their response to the pandemic. Thanks to an outpouring of local and national support, we received more than £1.7million worth of donated goods for our staff. These items were used to create 25,000 wellbeing packs,(allowing one for every staff member (*photo below*), providing much-needed toiletries, snacks and drinks to sustain our staff during long shifts.

Other highlights of the year include fundraising to mark the 72nd birthday of the NHS in July, with staff and supporters alike taking on fundraising activities related to the number 72! We also saw many of our traditional Christmas activities take on a new virtual form, including our traditional Christmas carol concert and virtual visits to patients in Royal Manchester Children's Hospital by both Manchester City and Manchester United football clubs.

Thanks to our donors we have been able to fund a number of projects throughout our hospitals this year. Examples include:

The provision of a Participatory Arts Programme for patients in Manchester Royal Infirmary
The support of our donors means that we can provide patients with an opportunity to collaborate with professional arts and health practitioners in multidisciplinary art and music sessions. Sessions will include sound art, music, performance and live art, dance, creative writing and spoken word and storytelling, all aimed at providing a positive experience and a distraction from the distress that a stay in hospital can bring.

The provision of 24-hour television to children undergoing a bone marrow transplant
Patients who are treated by Royal Manchester Children's Hospital's Bone Marrow Transplant Unit & Stem Cell Unit are cared for in isolation cubicles for 6-8 weeks at a time. Our normal free patient television and entertainment system, Hospedia, is unavailable to patients between the hours of 9pm and 6am. Thanks to our donors we can now extend this to become a 24-hour service for our young patients and their carers in isolation, to improve their experience during such a difficult time.

A big thank you
Thank you to everyone who has supported the Charity over the last year. Your support really does make a lasting difference to all of our patients, young and old, and to their families, each year.

How to support us
There are many ways in which people can support any one of our family of hospitals, by giving their money, time or talent.

Making a donation or undertaking a fundraising activity
To make a donation please visit www.mftcharity.org.uk/donate or call the fundraising team on 0161 276 4522. You can also support our hospitals by taking part in an event or organising your own fundraising activity.

Gifts in memory
Many thousands of pounds are donated each year to our hospitals in memory of patients who have died. The funds are used to improve facilities or buy equipment that will benefit our patients, so creating something very positive out of a sad personal loss.

Legacy support
Legacy gifts provide the Charity with a valuable income source that can allow us to plan for the future and benefit as many patients as possible. A legacy can be left to a specialist area of work in accordance with the donor's wishes – even the smallest legacy can have a lasting impact on our work across our family of hospitals.

Follow us to find out more
You can also support us by following us on social media

Manchester Foundation Trust Charity

@MFT_Charity

@MFTCharity

2.5 Committed to equality, diversity and inclusion

'Diversity Matters' is our equality, diversity and inclusion strategy for 2019-2023. It outlines our ambition to be the best place for patient quality and experience and the best place to work. It is central to achieving MFT's vision of 'improving health and well-being for our diverse population'. You can access 'Diversity Matters' at https://mft.nhs.uk/the-trust/equality-diversity-and-inclusion/

'Diversity Matters' provides a framework for action focusing on three aims:

- Improved patient access, safety and experience.
- A representative and supported workforce.
- Inclusive leadership.

These aims are underpinned by a set of objectives and results to achieve during the four-year strategy:

Improved patient access, safety and experience	A representative and supported workforce	Inclusive leadership

We will:
• Consider how our decisions will affect equality and reduce unfavourable effects.
• Know who uses our services by equality and their experiences and reduce any differences that we find.
• Carry on working towards the Accessible Information Standard.
• Make sure that people with learning disabilities and autism get treatment, care and support.
• Be the first Trust in the country to deliver Pride in Practice. This is recognition from the LGBT Foundation.
• Make our way-finding and signage easier.
	We will:
	• Consider how our decisions will affect equality and reduce unfavourable effects.
	• Know who our staff are by equality and their experiences and reduce any differences that we find.
	• Take a zero tolerance approach to bullying, abuse and harassment.
	• Work towards being a Disability Confident Lead employer.
	• Increase ethnic diversity at Board and senior management levels.
		We will:
		• Board members and senior leaders will champion equality and diversity. Some examples include:
		  ◦ Talk about equality, diversity and inclusion
		  ◦ Engage their staff
		  ◦ Understanding how our decisions will affect equality and reduce unfavourable effects
		  ◦ Have equality, diversity and inclusion objectives in their local delivery plans
		  ◦ Use inclusive leadership competencies in recruitment and appraisal.

The results we are aiming for: • Everyone who needs to can use Trust services. • Individual people's health and care needs are met. • When people use Trust services they are free from harm. • People report positive experiences of Trust services.	**The results we are aiming for:** • Staff are free from harassment, bullying and physical violence. • Staff believe that the Trust provides equal opportunities. • Staff recommend the Trust as a place to work and receive treatment.	**The results we are aiming for:** • Board members and senior leaders demonstrate their commitment to equality, diversity and inclusion. • Board and Committee papers will identify equality-related impacts and how unfavourable effect will be reduced.

- **Equality of service for our patients**

We want to continue to create a culture of care based on positive attitudes, welcoming the diversity of patients, their families, carers and service users and meeting their diverse needs. We will continually look to improve by embedding inclusion into every day practice and at the heart of policy and planning.

Our response to the Covid-19 pandemic included the roll out of Attend Anywhere, a secure web-based platform which allows patients to access video consultations.

Supported by NHS England, Attend Anywhere was rapidly implemented across MFT's services from April 2020 onwards, ensuring patients were seen in the safest way possible during the pandemic while limiting their (and staff) exposure to the virus.

Between May and December 2020, our clinicians held just over 20,000 video consultations with hugely positive feedback from patients, who appreciate being able to have their appointment within the comfort and convenience of their home and reducing the need to take time off work and travel to an MFT site.

The Interpreting and Translation service has been able to support video consultations since the start of the roll out, and services such as Audiology have developed solutions to support D/deaf and hearing-impaired patients in using the platform.

We undertook an equality impact assessment (EQIA) of Attend Anywhere in October 2020 to understand the effect on different groups of patients. The team held two comprehensive workshops for stakeholders to discuss further actions necessary. This also led to the development of an Outpatients Inequalities Strategy to address the cross-cutting themes from the MFT Outpatient Transformation Programme.

To support the outpatients recovery work, MFT has also introduced two new systems for patient letters: Dr. Doctor and Synertec. These new systems mean that patients who wish can receive their letters digitally through a text message link, and those who would prefer a printed letter can receive it in easy read, braille, or large print.

The EQIA of the systems showed that disabled patients needed to be consulted with to ensure positive impacts were maximised and negative impacts were appropriately mitigated. The team consulted with the Disabled People's User Forum, an MFT patient forum that aims to improve the access to, experience of, and quality of health care for disabled people within our hospitals.

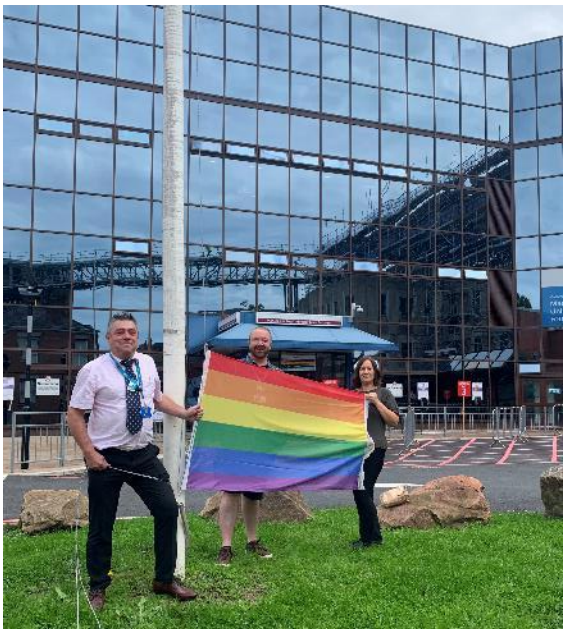
This consultation involved members feeding back on their experiences of patient letters, the wording of text messages and letters, and testing new digital systems, all with the aim of ensuring MFT's patient letters are accessible to all. As a result of this consultation with disabled patients, the project team could confirm that the system will be accessible to people using screen reading software, adapt the wording of text messages to make them easier to read, and ensure that the system will automatically adjust letters to known accessible information requirements.

Case study: First NHS Trust in the country to deliver Pride in Practice

The Trust partnered with the LGBT Foundation to deliver a Pride in Practice programme pilot for the first time in an acute Trust. Eight services participated and have now received training and an accreditation of Gold, Silver or Bronze from the LGBT Foundation to show their commitment to providing inclusive services to LGBT patients.

Pride in Practice is a quality assurance programme developed and delivered by LGBT Foundation. It was originally designed to support primary care services to strengthen and build their relationships with LGBT patients.

Delivery of the Pride in Practice programme pilot at MFT comprised training, a supported assessment and the accreditation of each participating department. The pilot was successful in its aim to adapt the existing Primary care model to meet the needs of acute services, Pride in Care. In 2021/22, MFT will continue to work together with the LGBT Foundation to use the findings of the pilot to deliver the Pride in Care Programme across the organisation.



- **Diversity and equality for our workforce**

Our Workforce Race Equality Standard (WRES) Report highlights that the overall ethnic diversity of the Trust is increasing year on year and reflects the Greater Manchester population. However, MFT is significantly less diverse at senior management levels (Agenda for Change (AfC) bands 8a and above). These results are reinforced by Staff Survey data, in which staff from Black, Asian and Minority Ethnic backgrounds are less likely to say that the Trust provides equal opportunities for career progression or promotion.

MFT developed the Removing the Barriers Programme to increase the ethnic diversity of the workforce at senior levels, in consultation with the then Black, Asian and Minority Ethnic Network.

The programme covers action in four areas across the employee life cycle:

The progress made on the Removing the Barriers Programme to date includes:

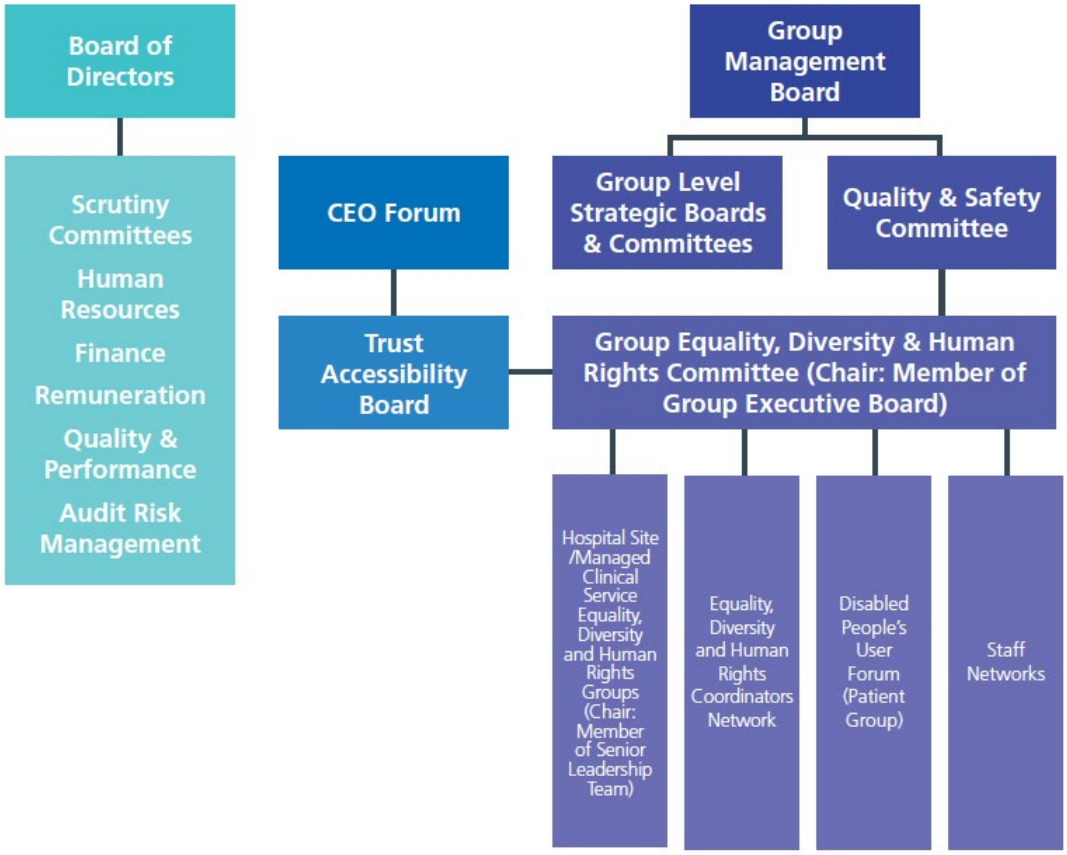
- MFT's Attraction Strategy, 'All Here For You', has equality, diversity and inclusion embedded in it to ensure that the campaign reflects the diversity of the communities the Trust serves.
- A Diverse Recruitment Panels Scheme has been successfully piloted and implemented as a mandatory requirement for recruitment to roles at band 8a and above. To date over 20 interviews at have been supported since it became a requirement in September 2020.
- A Reverse Mentoring Scheme has been piloted and is now transitioning into business as usual. Over 30 members of the Trust's senior leadership have signed up to the scheme.
- Five staff members are on a bespoke development scheme in roles at band 8a and above.
- Engagement targets are set with the senior leadership and a collaboration hub has been established to engage colleagues on developments.

You can read more about our work on diversity and equality with our staff in the Staff Report on page 127.

Inclusive Leadership

One of our strategic aims is 'inclusive leadership". We want to be recognised as a vanguard for equality, diversity and inclusion creating organisational and system wide changes to improve equality outcomes for patients their families and carers, service users and staff.

MFT's equality, diversity and human rights governance structure is built on the principle of leadership and inclusion. It includes a Group Equality, Diversity and Human Rights Committee (GEDHRC) that reports to the Group Quality and Safety Committee. The GEDHRC receives reports from the Hospital/Managed Clinical Service and Local Care Organisation Equality, Diversity and Inclusion Groups, the Equality and Diversity Coordinators, Staff Diversity Networks as well as the Disabled People's User Forum (patient group).



MFT has partnered with Pearn Kandola to deliver inclusive leadership training to senior leaders from across the Trust. The sessions will introduce the competencies and behaviours that inclusive individuals demonstrate on a daily basis, provide participants with the opportunity to reflect on their own strengths and risks, and give leaders an opportunity to plan what changes they wish to make to their own leadership style.

Leaders will be invited to:

- Commit to continuing their own learning on equality, look for opportunities to increase their own awareness and understanding.
- Make time to talk to diverse staff groups to understand their diverse experiences and engage diversity about what needs to change.
- Secure diverse representation on decision-making structures.
- Be open to diverse views and role model that open culture.
- Develop rationale for work on and commitment to equality and communicate it consistently and regularly.
- Create opportunities for discussing equality within their hospital, managed clinical service, community services and corporate services.
- Proactively look for opportunities to visibly lead on equality, for example by celebrating successes.
- Visibly lead on behaviours and challenge inappropriate behaviours.
- Take positive action to recruit a diverse leadership.

Case study: Diverse representation in Command and Control
MFT was committed to ensuring diverse representation in the Covid-19 command and control governance structure. Expressions of interest were sought from staff from Black, Asian and Minority Ethnic backgrounds and 70 staff came forward to contribute to the leadership of the Trust in managing the pandemic response. As a result, opportunities were opened to join recovery work streams as well as command and control enabling MFT to benefit from their skills and experiences. Two colleagues share their experiences:

"I am a Senior Cardiac Radiographer in Clinical Scientific Services (CSS). I am a member of the CSS Operational Excellence Group. The Group provides scrutiny of operational matters in order to raise concerns to the Board. It ensures corrective action has been initiated and managed regarding to Covid-19. It provides assurance in operational performance and activity planning. I feel honoured being a member of the Group. It enables me to pass on information to my colleagues from Black, Asian and Minority Ethnic backgrounds. To raise concerns. And to support the Group to understand the issues that colleagues from Black, Asian and Minority Ethnic backgrounds may face."

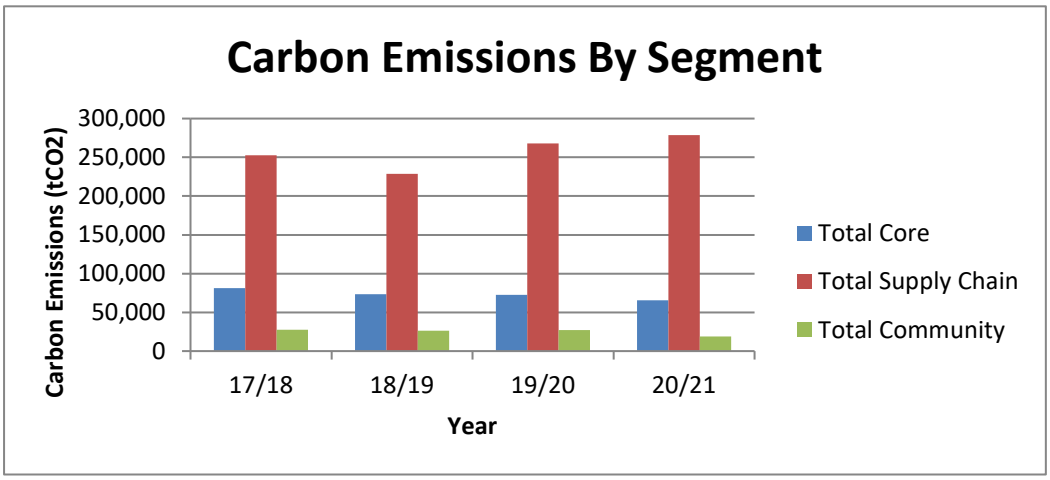
"So far it's been a great insight into what the Trust finance team do "behind the scenes". Ample opportunities to ask questions and detailed responses are given."

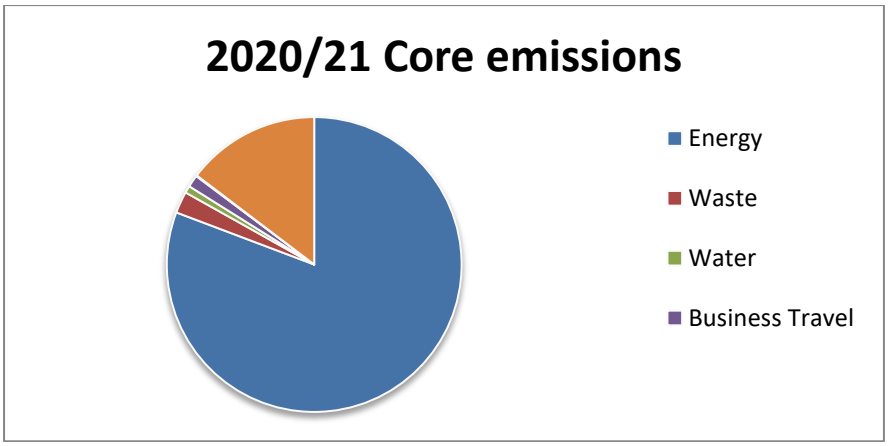
2.6 Focus on sustainability

The prominence of the sustainability agenda in the healthcare sector significantly accelerated this financial year following the publication of 'Delivering a Net Zero NHS' in October 2020. The Covid-19 pandemic had a substantial impact on plans and priorities, and inevitably momentum was lost in some areas of work, with other areas such as active travel becoming more high profile and in demand.

Following the publication of MFT's Sustainable Development Management Plan in 2018, we have continued to progress the action plan, and although our strategy remains valid for now we will be reinvigorating our approach during 2021/22 to align with all the national changes, and the incorporation of North Manchester General Hospital into the MFT portfolio.

- MFT's core carbon footprint has reduced by 7% over the 2020/21 financial year. However, the total carbon footprint has only reduced by 0.8% because of the increasing carbon impact of the supply chain.
- Our annual core footprint which encompasses those elements we can most directly influence was 67,185 tCO_2e, keeping us within our five-year carbon budget and leaving 124,433 tCO_2e for the remaining two years of our Sustainable Development Management Plan.





Energy – Significant progress has been made to reduce the carbon impact from energy, with overall emissions falling by 7%. Electricity consumption reduced by 12% in 2020/21, and combined with the effect of further grid decarbonisation, has reduced the overall carbon from electricity by 20%. Major upgrades at Wythenshawe and Withington hospitals to install Combined Heat and Power plant have significantly contributed to this, as have the changing working practices of staff with a significant increase in remote consultations.

This year a REGO[1] certified renewable energy tariff has been implemented, ensuring all our imported electricity is generated from certified renewable sources. Significant grant funding has been secured via the Salix Finance Public Sector Decarbonisation Scheme, with measures to be installed during 2021/22, with the funding covering 100% of the cost of projects to decarbonise public buildings.

Care - Overall consumption of anaesthetic gases reduced by 7% in 2020/21 primarily because of the reduction in elective surgery during the Covid-19 pandemic. However, the carbon impact of anaesthesia has fallen by 14%, reflecting a positive trend in green anaesthesia practices led by clinical staff across MFT. The NHS Standard Contract requires consumption of desflurane (the most carbon intensive gas) to be no more than 20% of the consumption of sevoflurane (the least carbon intensive gas). In 2020/21 MFT's consumption was only 2%, indicating a major shift in anaesthetic practice.

Waste – The overall volume of waste produced during 2020/21 was 3% higher than that produced in the previous year, with the volume of infectious waste remaining similar. Waste per patient contact has increased from 2.9kg to 4kg. Whilst we have been producing a high volume of waste PPE, this waste is bulky and light. Planned waste improvement projects had to be stepped back somewhat this year due to significant operational pressures taking priority but this activity will be ramped back up post pandemic.

Procurement – Expenditure reduced by 3% overall due to the changing priorities because of Covid-19. However, due to updated procurement footprinting methodology the overall carbon impact has increased by 7%. PPE required to respond to the outbreak came from national 'push' deliveries and is not accounted for within this figure. It is anticipated that procurement expenditure will bounce-back during 2021/22, therefore targeted work on the procurement carbon footprint is required to address the largest part of our impact, starting with a detailed baselining exercise.

Transport and Travel – Our annual staff travel survey in 2020 captured the changing working patterns of the MFT workforce with 14% of staff reporting some level of working from home, and 97% of meetings reported taking place online. This enabled a major reduction in our business travel footprint which has fallen by 39% to 874 tCO_2e.

[1] REGO: Renewable Energy Guarantees Origin

The Trust has made major progress in transitioning to a fully electric fleet with 8 electric vehicles replacing diesel vehicles. Significant support was provided to new staff cyclists with over 80 bikes being donated and redistributed. £100,000 of charitable Covid-19 recovery funds were secured to improve and expand the number of secure cycle storage spaces across all MFT sites during 2021/22.

Staff Engagement and Behaviour Change – All engagement platforms and activities were moved fully online, which has given some staff greater flexibility in being able to attend events. Due to ongoing staff pressures, levels of participation in our Green Impact programme were somewhat reduced.

2.7 Shaping our strategy for the future

The creation of MFT in October 2017 presented an opportunity to think about how we could develop our services to improve care for our patients and create rewarding roles for our staff. In order to do this we established our Clinical Service Strategy Programme. Through the programme, which involved extensive engagement with internal and external stakeholders, we produced an ***MFT Group Service Strategy*** and a series of individual ***Clinical Service Strategies***.

The ***Group Service Strategy*** sets out, at a high level, our vision for how services should develop over the next five years. Five key themes emerged from the engagement and they form the pillars of the strategy. The graphic below shows the pillars and describes for each what we want to achieve and how we plan to get there.

The Group Service Strategy served as the over-arching framework for creating a series of individual ***Clinical Service Strategies***. These describe in more detail the development path for individual services over the next 5 years.

How are we making a difference?

The Covid-19 pandemic has delayed implementation of many of the clinical service strategies, but here is a snapshot taken from different services and specialties showing how the implementation of our Clinical Service Strategy is supporting improvements and innovation in diagnosis and treatment for our patients, both in normal times and as part of our response to the pandemic.

Pillar 1	Excellent care that is fit for the future	• Digital outpatients were introduced - consultations take place over the telephone or via the internet so that patients do not have to come to hospital for their appointment * • The creation of a dedicated hip fracture unit at Wythenshawe * • Single MFT-wide waiting lists (known as patient treatment lists – PTLs) have been implemented. This means that patients are treated in order of priority, whichever hospital site within MFT they have been referred to, ensuring equity of access based on clinical need.
Pillar 2	Outstanding local integrated services	• MREH have developed and are trialling a new model of care for glaucoma where patients are followed up in primary care.
Pillar 3	World renowned centres of excellence	• The Manchester Centre for Heart and Lung Magnetic Resonance Research Scanner (BHF Scanner) opened in November 2020 at Wythenshawe Hospital. It will enable a leading-edge programme of translational and clinical cardiovascular and thoracic research. • The Saint Mary's team has been working on the concept of a Rare Conditions Centre within MFT, which should launch in 2021/22. • Manchester Royal Eye Hospital (MREH) is one of the first centres in the world to deliver ophthalmic gene therapy and only one of three in the UK, to date, to have undertaken five of these procedures. • The creation of a single vascular arterial centre at MRI *
Pillar 4	Pioneering data driven healthcare	• The MFT Data Sciences unit worked in conjunction with the mathematicians from the UoM to model the impact of the Covid-19 pandemic on demand for services. This data was used to inform our capacity planning, in particular for critical care and general beds, over the course of the pandemic.
Pillar 5	A recognised system leader	• MFT took a lead role in coordinating the GM hospital response to the Covid-19 pandemic. The hospitals in GM worked together (known as the Hospital Cell), to provide mutual aid and agree common approaches and policies to ensure that patients had access to a similar level of service wherever they were treated across Greater Manchester. • MFT has been appointed as the host organisation for the Genomics Medicine Service Alliance, which will promote the embedding of genomics in healthcare settings across the North West.

*There are a number of service changes that have been put in place as part of the response to the virus, some of which are in line with our longer-term plans. The implementation of digital outpatients, the creation of a single arterial centre at MRI and the creation of a dedicated hip fracture unit at Wythenshawe are examples of changes that were made to address the immediate pressure to treat patients with Covid-19, but have other benefits such as improved outcomes and more equitable access, and are in line with our longer- term plans.

All of the changes that were put in place to respond to the Covid-19 pandemic have been made on a temporary basis. The next steps will be to assess whether or not they should be made permanent. Any changes that it is deemed should be made permanent will be taken through the appropriate engagement and consultation processes with staff, commissioners and local authorities.

2.8 Investing in our hospitals, technology and infrastructure

Delivering the Single Hospital Service vision
The proposal for a Single Hospital Service (SHS) for the city of Manchester was originally developed through an independent review in 2016. This identified the potential to achieve a wide range of benefits by bringing together clinical and non-clinical services into extended teams.

The first stage of this programme was delivered though the merger of Central Manchester University NHS Foundation Trust and University Hospitals of South Manchester NHS Foundation Trust to create MFT in 2017. The strategy always envisaged the subsequent incorporation of North Manchester General Hospital (NMGH) into MFT.

On 1st April 2020, MFT took responsibility for NMGH under the terms of a management agreement with the Board of Pennine Acute Hospitals NHS Trust (PAHT – its parent organisation), and the hospital has operated effectively as part of MFT throughout 2020/21.

Managing NMGH has allowed MFT to become familiar with the hospital site and the way services are delivered. In addition, the management agreement has enabled a new MFT leadership team to become embedded on the NMGH site, and the development of productive and supportive working relationships between NMGH staff and teams across MFT's existing services. These factors supported the delivery of effective care at NMGH throughout the Covid-19 pandemic and have also underpinned preparations for a seamless transition to NMGH formally becoming part of MFT on 1st April 2021.

Throughout 2020/21, MFT has worked collaboratively with partner organisations on the separation of clinical and corporate services within PAHT, the agreement of sustainable financial arrangements and the appropriate sharing of risks. Risk has been mitigated through the revision and refresh of due diligence assessments and by using the period of the management contract to increase organisational understanding of the NMGH site and services.

A Transaction Business case was developed during autumn 2020, and this was approved by the MFT Board of Directors on 14th December 2020. Post Transaction Integration Plans have been developed, outlining the arrangements for delivering a safe and successful transaction and effectively integrating services.

The NMGH acquisition process has also provided an opportunity for stakeholders in Manchester to come together and generate plans for the redevelopment of the NMGH site. This involves rebuilding the acute hospital facilities alongside delivering a wider, healthcare-led approach to the regeneration of North Manchester. Find out more about the plans to transform the NMGH site below.

It is clear that NMGH joining MFT has the potential to deliver significant benefits for patients and staff, alongside wider strategic opportunities for North Manchester.

The transaction and site redevelopment offer a positive future for NMGH as a busy and vibrant general hospital providing excellent care to the local community and acting as an anchor institution for economic regeneration and community development.

This is an exciting time for MFT as the Trust formally welcomes NMGH to the 'Manchester Family' on 1st April 2021, and celebrates the hard work undertaken to reach this point and realise the final piece of the SHS vision.

Transforming North Manchester General and Wythenshawe Hospitals
We are working on transformational redevelopment plans for two hospitals in the MFT Group:

North Manchester General Hospital – our aim is to build a new high quality and sustainable civic campus where people can get well, learn, live and work. It will provide a focal point for the North Manchester community, with connected health and social care facilities, high-quality new homes, and access to better education and training alongside more inviting public open spaces.

This transformational development will bring positive change for the community, creating new jobs, promoting healthy lifestyles, developing skills and contributing to a zero-carbon environment for the benefit of the local neighbourhood and beyond.

We have created a 'Strategic Regeneration Framework' to share our proposals, which include:

- A **new acute hospital** providing excellent healthcare facilities incorporating innovation and new technology.
- A **modern mental health hospital** offering a high quality and effective care environment (New Park House development).
- A **wellbeing hub** to deliver integrated community-based care and wellbeing services. Local people and organisations can also access its meeting spaces, community café and allotments.
- An **education hub** to support training for healthcare staff and to maximise employment opportunities for local community.

- A new **residential community** focused on keeping people well at home. The housing will be diverse and could include key worker accommodation, social housing, stepdown care and extra care.
- New **high-quality commercial space** with a focus on healthy ageing and providing flexible accommodation suited to companies at different stages of growth. This space will support innovation and enable businesses to locate and expand in North Manchester, benefiting local employment.
- A **village green**. This will be a high quality outdoor space, acting as a focal point for the campus, and a vital connection to the local neighbourhood.

Find out more at https://mft.nhs.uk/transforming-the-future-at-north-manchester-general-hospital/

Wythenshawe Hospital - is at the heart of an exciting vision to improve health and wellbeing for local people over the next 10 to 15 years. We want to provide excellent health care and clinical facilities in an environment that is welcoming to everyone. The hospital site will form the centre of a new sustainable health village, which also offers enhanced employment, leisure and retail opportunities to the Wythenshawe community.

Through a 'Strategic Regeneration Framework', our aim is to deliver:

- An **improved clinical environment** that meets modern standards within a hospital site that is accessible and welcoming for patients and visitors. Our 'smart' hospital will be technologically advanced and 5G enabled.
- A **highly sustainable campus** which delivers on our commitment to be Net Zero Carbon by 2038, including through the promotion of green travel options and enhanced accessibility for pedestrians and cyclists.
- **A masterplan that supports inclusive growth and maximises benefits for the local community** through providing a range of jobs and training opportunities that support local employment. It will also deliver enhanced social infrastructure as well as improved health and social care outcomes.

- A **diversified campus** offering complementary research and development facilities, commercial uses that support the work of MFT, leisure and training facilities, plus key worker housing and step-down care facilities.
- **World class research facilities** to support the work of clinicians and academics in keeping MFT at the forefront of innovative developments in healthcare.
- **A safe, efficient and stimulating work environment** that ensures MFT continues to attract the best people to work at Wythenshawe Hospital Campus.
- **Partnerships to encourage local economic growth** with Roundthorn Industrial Estate, Timperley Wedge, Manchester Airport and Airport City.

Find out more at https://mft.nhs.uk/future-wythenshawe-hospital/

Both proposals were endorsed by Manchester City Council on17th March 2021. The NMGH redevelopment is one of eight hospital rebuilding projects identified to receive funding under the government's New Hospitals Programme for England. It has already been allocated £54m for site preparation work, and a Full Business Case will now be prepared and submitted to the Treasury for approval. Work has also started to secure funding for the Wythenshawe Hospital redevelopment programme

Hive EPR: a digital solution for improving care

Hive
Transforming healthcare in Manchester through digital innovation

As the largest Foundation Trust in the UK, we need an integrated and innovative electronic patient record (EPR) solution. As we start to work across ten hospitals and community services, the aim is to provide better continuity of care wherever patients are treated by bringing our varied systems together.

Hive is a major clinical transformation programme which will use the EPR to bring all our patient information together in one place, helping us work together across professions, services and locations. It will bring wide-spread change, and improvement, to every part and process in the organisation.

Making the move to EPR will improve the ability of our staff to deliver excellent care by making things work better across five key areas:

- **Patient experience** – patients will be more in control of their appointments and will be able to personalise their care to suit their needs
- **Patient safety** – EPR will create new opportunities to standardise care across the Trust, ensure we administer the correct medicines, and reduce harm in areas like infection control, nursing assessment and handovers.
- **Staff experience** – creating a better and more attractive place to work by making information easier and quicker to access, reducing the need for duplication, and ultimately giving staff more time to care for patients.
- **Operational efficiency** – improving the Trust's efficiency as an organisation in areas like automating the administration process, utilising theatres more effectively, improving patient flow, reducing waste and reducing paper usage.

- **Research and Innovation** – creating one central database of accessible information will bring new opportunities for R&I, including performing more clinical trials and opening up new ways to innovate.

In May 2020 MFT signed a £400m contract with Epic to provide our future EPR solution. Epic are a world leading healthcare software provider who were chosen as the best EPR solution to meet the Trust's specialist and complex needs. Work has been ongoing since then through the Hive programme to get ready for EPR, which is due to go live in autumn 2022.

£40 million A&E transformation project

Ambitious new plans to transform the Emergency Department (ED) at Manchester Royal Infirmary (MRI) were approved by Manchester City Council in March2021.

The redevelopment will see the facilities modernised to best meet the changing needs of the local population of Manchester. This includes increased capacity and a more streamlined layout, to ensure patients continue to receive high quality emergency treatment and care in an improved environment.

The £40 million renovation project will boost the capabilities of MRI, which is a Major Trauma Centre for Greater Manchester and part of Manchester University NHS Foundation Trust (MFT). Upgraded facilities will include an expanded and improved Emergency Department with 10 (up from 6) resuscitation bays, 46 (up from 35) majors cubicles, and 11 (up from 10) cubicles for minor cases.

Plans also include the creation of six new operating theatres, which will support the hospital's developing role as a regional centre for specialist surgery.

Construction is expected to start later in 2021. Temporary changes to the department's access and layout will be put in place to ensure it can continue to operate fully throughout the works. In total, construction is expected to take just over three years to complete.

Lift-off for new helipad
The life-saving new Helipad at MFT – the first elevated helipad of its kind in the North West – opens on 10th May 2021.

The state of the art helicopter landing pad, which is situated on the roof of Grafton Street car park on Oxford Road, will enable critically ill or injured babies, children and adults to be airlifted straight to MFT hospitals in Manchester city centre.
The new helicopter landing site could allow as many as 300 patients to be airlifted to the hospitals each year.

Funding for the Oxford Road Campus helipad was raised by MFT Charity's Time Save Lives Appeal, which raised a phenomenal £3.9million towards the Helipad in just 12 months.

This included a generous donation of £1.3million from the County Air Ambulance Trust's HELP (Helicopter Emergency Landing Pads) Appeal and £1.1million from the government's LIBOR fines funds in the Chancellor's Budget. The HELP Appeal is dedicated to funding hospital and air ambulance helipads across the country.

Operations will commence once the helipad has been commissioned by the Air Ambulance Operators and inspected by the Civil Aviation Authority International to ensure it complies with the regulatory standards for helipads at hospital sites.

MRI is a Major Trauma Centre for Greater Manchester and Royal Manchester Children's Hospital (RMCH) is the Major Trauma Centre for the entire Greater Manchester region and one of only two dedicated Children's Major Trauma Centres in the whole of the North West providing care for seriously ill or injured children. Saint Mary's Hospital provides specialist and emergency care for women and babies with a 24-hour High Dependency Obstetrics Unit.

It also has one of the largest neonatal intensive care units offering surgical and medical care for new born babies, co-located with RMCH.

The first 60 minutes following a major trauma injury is known as the ‘Golden Hour’ and treatment within the first hour can mean the difference between life and death. In some situations, the quickest or most appropriate way to transport a critically-ill patient to specialist services is by helicopter.

Alistair Rennie, Consultant in Emergency Medicine and Major Trauma at the MRI and RMCH and Group Clinical Lead for Emergency Planning on the helipad

Monitoring and managing risk
MFT faced a number of risks during 2020/21, ranging from Covid-19 specific risks (Infection Control; Delivery of Activity Levels & Operational Standards; Vulnerable Staff) to the proposed Acquisition of North Manchester General Hospital, Cyber Security, Financial Sustainability, central site Management of Patient Records and Medicines Storage. A detailed summary of the risks, and information on how they were managed, is in the Annual Governance Statement on pages 147 to 169.

Important events after the financial year end
On 1st April 2021, the Trust formally acquired the North Manchester General Hospital site, services and associated Charitable Fund from Pennine Acute NHS Foundation Trust, following the approval of the transaction business case by NHS England and NHS Improvement.

There were no other events following the Statement of Financial Position date, either requiring disclosure, or resulting in a change to the financial statements of the Trust or the Group.

Going concern assurance
After making enquiries, the Directors have a reasonable expectation that the services provided by Manchester University NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Sir Michael Deegan CBE
Group Chief Executive
9th June 2021

3 Accountability Report

3.1 Directors' Report

The MFT Board of Directors comprises Executive and Non-Executive Directors who have joint responsibility for every decision of the Board, regardless of their individual skills or roles. The Board is collectively responsible for discharging the powers and for the performance of the Trust.

The Executive Directors were appointed because of their business focus and operational/management experience within and outside the health and care sector. Their skills are complemented by the business, finance, education and other experience provided by the Non-Executive Directors, who also have strong links with the local community. All Directors are subject to an annual review of their performance and contribution to the management and leadership of the Trust.

MFT regularly reviews the skills and expertise of the Board and considers there to be a balance of appropriate skills amongst the Board members, ensuring balance, completeness and appropriateness to the requirements of the Trust.

The Board of Directors is responsible for preparing the Trust's annual report and accounts. We believe that the report and accounts is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess MFT's performance, business model and strategy.

In preparing this report, the Directors have ensured that so far as we are each aware, there is no relevant audit information of which the auditors are unaware. The Directors have taken all steps necessary to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Each Director has also:

- Made such enquiries of his/her fellow Directors and of the Trust's auditors for that purpose and
- Taken any steps required by his/her duty as a Director of the Trust to exercise reasonable care, skill and diligence.

The Board of Directors is responsible for determining the Trust's:

- Strategy, business plans and budget.
- Policies, accountability, audit and monitoring arrangements.
- Regulation and control arrangements.
- Senior appointment and dismissal arrangements.

The Board is also responsible for approving the Trust's annual report and accounts and ensuring that MFT acts in accordance with the requirements of its Foundation Trust license.

Board of Directors' Profiles

Jenny Ehrhardt was appointed to the Board as Group Chief Finance Officer on 1st May 2020, following the retirement of her predecessor Adrian Roberts on 1st May 2020.

Kathy Cowell OBE DL, Group Chairman
Kathy has been Chairman since MFT was created in 2017. She previously served as a Non-Executive Director and subsequently Chairman of predecessor organisation Central Manchester University Hospitals NHS Foundation Trust (CMFT).
Read more at: https://mft.nhs.uk/people/kathy-cowell-obe-dl/

Barry Clare, Group Deputy Chairman
Barry was appointed Deputy Chairman in 2017 and is a pioneering healthcare business leader with extensive experience in the healthcare industry sector. He previously served as Chairman of University Hospital of South Manchester NHS Foundation Trust (UHSM)
Read more at: https://mft.nhs.uk/people/barry-clare/

Sir Michael Deegan CBE, Group Chief Executive
Mike was previously Chief Executive at CMFT, having also held the post of Chief Executive at Warrington Hospital and then North Cheshire Hospitals NHS Trust.
Read more at: https://mft.nhs.uk/people/sir-michael-deegan-cbe/

Darren Banks, Group Director of Strategy
Darren became Director of Strategy at CMFT in April 2006 and has led a number of major organisation-wide initiatives, including the successful Foundation Trust application in 2009 and the acquisition of Trafford Healthcare Trust in 2012.
Read more at: https://mft.nhs.uk/people/darren-banks/

Peter Blythin, Group Executive Director of Workforce and Corporate Business
Peter joined CMFT in 2016 to manage the merger that formed MFT, and was appointed to the MFT Board in April 2019. After working as a nurse in clinical practice, he held Executive Director roles for over 20 years in a variety of leadership positions. He has previously held a national position as the Director of Nursing for the Trust Development Authority and has experience of working at the Department of Health.
Read more at: https://mft.nhs.uk/people/peter-blythin/

Julia Bridgewater, Group Chief Operating Officer
Julia joined CMFT in September 2013 as Chief Operating Officer, from Shropshire Community Trust. She had previously served as Chief Executive at the University Hospital of North Staffordshire NHS Trust from 2007 to 2012.
Read more at: https://mft.nhs.uk/people/julia-bridgewater/

Professor Jane Eddleston, Group Joint Medical Director
Jane is a Consultant in Intensive Care Medicine and Anaesthesia in Manchester Royal Infirmary. She has extensive clinical and managerial experience in Critical Care and Acute Care and is the Chair of the Clinical Reference Group for Adult Critical Care.
Read more at: https://mft.nhs.uk/people/dr-jane-eddleston/

Gill Heaton OBE, Group Deputy Chief Executive
Gill was previously Deputy Chief Executive at CMFT. She has worked as a senior nurse in various clinical areas, such as intensive care and medical wards and has held senior management posts in large acute Trusts.
Read more at: https://mft.nhs.uk/people/gill-heaton-obe/

Professor Cheryl Lenney OBE, Group Chief Nurse
Cheryl is the professional lead and is accountable for Nursing and Midwifery on the Board of Directors. She has over 35 years' experience as a nurse and a midwife, and has worked for MFT and its predecessor organisations since 2002.
Read more at: https://mft.nhs.uk/people/professor-cheryl-lenney/

Miss Toli Onon, Group Joint Medical Director
After training in obstetrics and gynaecology and cancer immunology, Toli became a consultant at UHSM in 2003. She was appointed as UHSM Medical Director in November 2016, and joined the MFT Board in 2017.
Read more at: https://mft.nhs.uk/people/miss-toli-onon/

Jenny Ehrhardt, Group Chief Finance Officer
Jenny joined the NHS in 2000 and has worked in finance roles across many different organisations including Ambulance and Commissioning, although mainly in Acute Trusts. She is a member of the Chartered Institute of Public Finance and Accountancy.
Read more at: https://mft.nhs.uk/people/jenny-ehrhardt/

John Amaechi OBE, Group Non-Executive Director
John is a psychologist, organisational consultant and high-performance executive coach. He is a New York Times best-selling author and a former NBA basketball player.
Read more at: https://mft.nhs.uk/people/john-amaechi-obe/

Professor Dame Sue Bailey OBE DBE, Group Non-Executive Director
After studying medicine and psychiatry at the University of Manchester, Sue worked as a Child and Adolescent psychiatrist for over thirty years. Her national health policy and research work has focused on how to improve health care delivery through education and training of practitioners. Read more at: https://mft.nhs.uk/people/professor-dame-sue-bailey-obe-dbe/

Dr Ivan Benett, Group Non-Executive Director
Ivan has worked as a GP in Central and South Manchester for over 30 years and has also worked at Royal Manchester Children's Hospital. He trained in Manchester and was a junior doctor at Saint Mary's Hospital and the Manchester Royal Infirmary.
Read more at: https://mft.nhs.uk/people/dr-ivan-benett/

Professor Luke Georghiou, Group Non-Executive Director
Luke is the University of Manchester's Deputy President and Deputy Vice-Chancellor. Prior to this he was Vice President for Research and Innovation, helping the University to drive forward its research, business engagement and commercialisation agendas**.**
Read more at: https://mft.nhs.uk/people/professor-luke-georghiou/

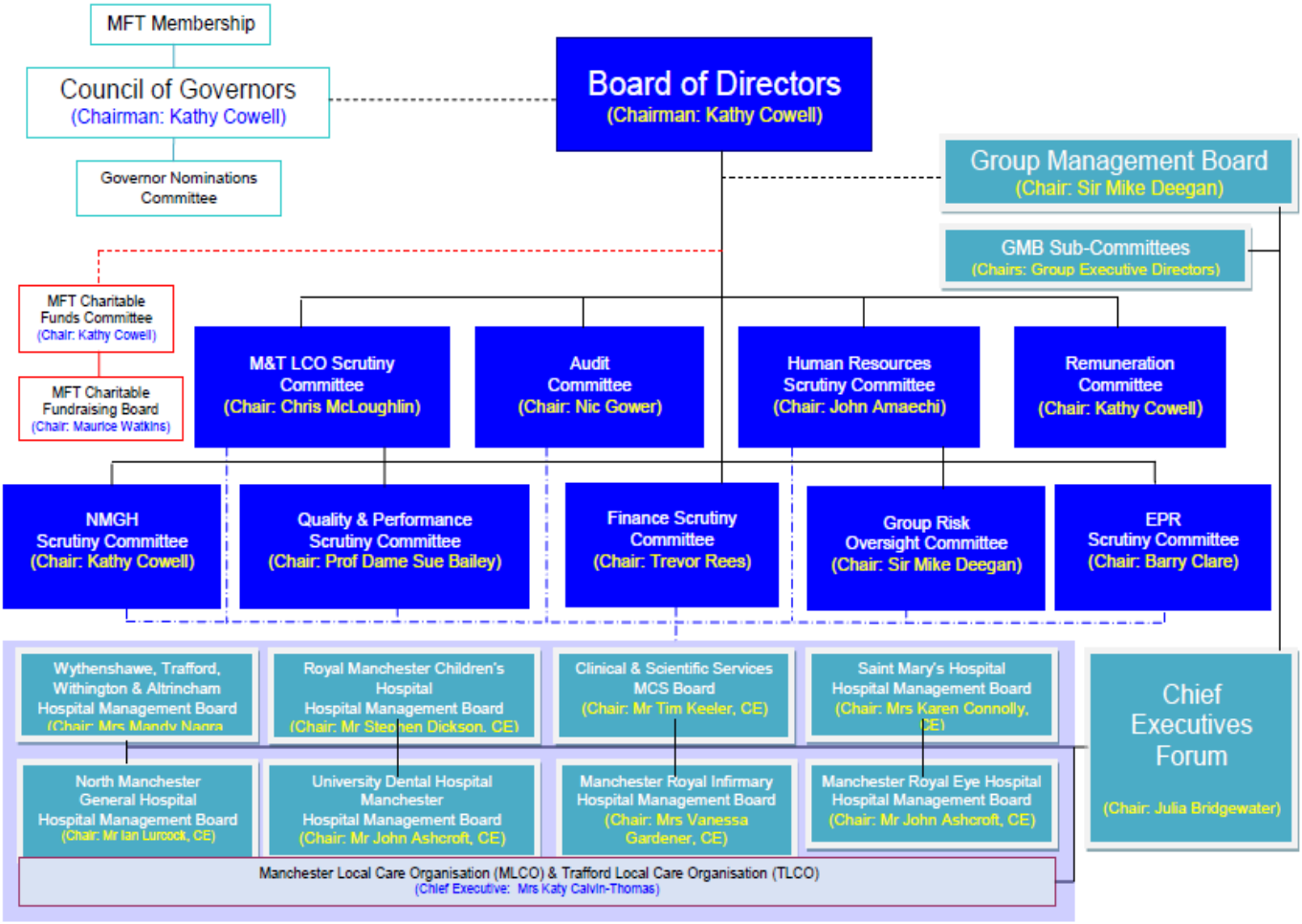
Nic Gower, Group Non-Executive Director
The majority of Nic's professional career as a Chartered Accountant was spent as a partner in PricewaterhouseCoopers LLP specialising in audit and assurance. Alongside providing professional services to his clients, he undertook leadership roles in quality, risk management and change management.
Read more at: https://mft.nhs.uk/people/nic-gower/

Christine McLoughlin, Group Non-Executive Director/Senior Independent Director
Chris was a staff nurse at Manchester Royal Infirmary in the 1980s, subsequently becoming a social worker based in a community team in central Manchester. She went on to hold key senior leadership positions with Manchester City Council and Stockport Metropolitan Borough Council.
Read more at: https://mft.nhs.uk/people/christine-mcloughlin/

Trevor Rees, Group Non-Executive Director
Trevor is a Chartered Accountant with over 20 years' experience of working with the NHS and other publicly funded/not for profit organisations, providing financial audit and advisory services. He has worked with both Provider and Commissioner organisations in the NHS.
Read more at: https://mft.nhs.uk/people/trevor-rees/

Board Sub-Committees

Chaired by the Non-Executive Directors and the Group Chief Executive, these committees provide oversight of all MFT's clinical and non-clinical activities.



Board meeting attendance 2020/21

Attendance throughout 2020/21 was via 'Electronic Communication' (Microsoft Teams) in keeping with National and Local Covid-19 National Emergency Directives & Guidelines and the MFT Constitution – October2017 (Annex 7-Standing Orders - Section 4.20 – Meetings Electronic Communication - Page 108)

	May 20	Jul 20	Sept 20	Nov 20	Jan 21	March 21
Kathy Cowell Group Chairman	√	√	√	√	√	√
Barry Clare Group Deputy Chairman	√	√	√	√	√	√
Sir Michael Deegan Group Chief Executive	√	√	√	√	√	√
Darren Banks Group Director of Strategy	√	x	√	√	√	√
Peter Blythin Group Executive Director of Workforce and Corporate Business	√	√	√	√	√	√
Julia Bridgewater Group Chief Operating Officer	√	√	√	√	√	√
Professor Jane Eddleston Joint Group Medical Director	√	√	√	√	√	√
Jenny Ehrhardt Group Chief Finance Officer	√	√	√	√	√	√
Gill Heaton Group Deputy Chief Executive	√	√	√	√	√	x
Professor Cheryl Lenney Group Chief Nurse	√	√	√	√	√	√
Miss Toli Onon Joint Group Medical Director	√	x	√	√	√	√
John Amaechi Group Non-Executive Director	√	√	√	√	√	√
Professor Dame Sue Bailey Group Non-Executive Director	√	√	√	√	√	√
Dr Ivan Benett Group Non-Executive Director	√	√	√	√	√	√
Professor Luke Georghiou Group Non-Executive Director	√	√	√	√	√	√
Nicholas Gower Group Non-Executive Director	√	√	√	√	√	√
Chris McLoughlin Group Non-Executive Director/Senior Independent Director	√	√	√	√	√	√
Trevor Rees Group Non-Executive Director	√	√	√	√	√	√

✓ attended the meeting, X did not attend the meeting, not applicable

The Trust maintains a Register of Interests for **Directors**, which is open to the public and can be accessed on our website at https://mft.nhs.uk/the-trust/the-board/register-of-directors-interests/

We also maintain a Register of Interests for **Governors**, which is open to the public and can be downloaded from this page: https://mft.nhs.uk/the-trust/governors-and-members/council-of-governors/

To communicate with the Board of Directors or the Governors, please contact the Director of Corporate Services/Trust Secretary by email trust.secretary@mft.nhs.uk or telephone 0161 276 6262.

Financial compliance

The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

The Better Payment Practice Code requires the Trust and Group to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. The Trust processes all ordering and receipting of goods and services via our electronic purchase to pay system. Our compliance with the Better Payment Practice Code is as follows:

	2020/21 Number	**2020/21 £000**	**2019/20 Number**	**2019/20 £000**
Non-NHS				
Total bills paid in the year	197,700	1,083,511	242,129	1,019,337
Total bills paid within target	186,028	989,292	224,093	958,852
Percentage of bills paid within target	94.1%	91.3%	92.6%	94.1%
NHS				
Total bills paid in the year	11,067	188,375	11,300	195,083
Total of bills paid within target	7,757	158,443	7,952	167,294
Percentage of bills paid within target	70.1%	84.1%	70.4%	85.8%

	2020/21 Number	2020/21 £000	2019/20 Number	2019/20 £000
Total				
Total bills paid in the year	208,77	1,271,886	253,429	1,214,420
Total of bills paid within target	193,785	1,147,735	232,045	1,126,146
Percentage of bills paid within target	92.8%	90.2%	91.6%	92.7%

In 2020/21 payments totalling £2,000 were made under the Late Payment of Commercial Debts (Interest) Act.

Statement about section 43(2A) of the NHS Act 2006
Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires the income from the provision of goods and service for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes. Manchester University NHS Foundation Trust has complied with this requirement and is satisfied the income received from provision of non-NHS goods and services does not have any significant impact on the provision of NHS goods and services for the purposes of the health service in England.

In preparing this report, the Directors have ensured that so far as they are each aware, there is no relevant audit information of which the auditors are unaware. The Directors have taken all the necessary steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Board ensures services are well-led through a number of arrangements MFT has in place to govern service quality, including our Board Assurance Framework, internal Quality Reviews, Quality Committee, Clinical Effectiveness Committee and Clinical Accreditation Programme. These are explained in more detail in the Annual Governance Statement on page 147 onwards.

The Directors use NHS Improvement's quality governance framework to help them reach an overall evaluation of the Trust's performance, internal control and board assurance framework and a summary of action plans to improve the governance of quality.

Audit Committee Report
The Audit Committee is made up of Group Non-Executive Directors and is chaired by Nic Gower. The Trust's external auditor, internal auditor, anti fraud specialist and Trust officials attend Committee meetings. The Group Chairman of the Trust is not a member but attends selected meetings by invitation.

It has primary responsibility for monitoring the integrity of the financial statements, assisting the Group Board of Directors in its oversight of risk management and the effectiveness of internal control, oversight of compliance with corporate governance standards and matters relating to external and internal audit.

The Committee provides the Board of Directors with a means of independent and objective review of financial and corporate governance, assurance processes and risk management across MFT. The Committee receives regular reports and updates from both the internal and external auditors to assist in assessing the extent to which robust and effective internal control arrangements are in place and regularly monitored.

The system of internal control is designed to identify and understand risk to which the Trust is exposed and to manage such risk to reasonable level - the Board recognises that no system of internal control can eliminate all risks that the Trust is or may become exposed to.

The Committee's terms of reference are available from the Director of Corporate Services & Trust Board Secretary.

At its meeting on 8th April 2020, the Committee was advised that a number of processes had been put in place to ensure that financial governance and controls were appropriately maintained throughout the national emergency caused by the coronavirus pandemic. These processes related to areas such as non-pay, staffing, capital expenditure and IT.

The Audit Committee work programme was also reviewed in light of the Trust's response to the operational demands and priorities involved in managing Covid-19. All Internal and External audit work has been conducted remotely since Spring 2020. As a result some planned internal audit work that required audit procedures to be performed on site has been deferred. All committee meetings have also been held by remote video conference calls since April 2020.

Audit Committee attendance 2020/21

Non-Executive Director	8th April 2020	26th May 2020	9th Sept 2020	4th Nov 2020	3rd Feb 2021	31st Mar 2021
Barry Clare	✓	✓	✓	✓	✓	x
Nic Gower (Committee Chairman)	✓	✓	✓	✓	✓	✓
John Amaechi	X	X	X	X	X	X
Sue Bailey	X	✓	✓	✓	✓	✓
Ivan Benett	✓	✓	✓	✓	✓	✓
Luke Georghiou	✓	X	X	✓	✓	✓
Chris McLoughlin	✓	X	✓	X	X	✓
Trevor Rees	✓	✓	✓	✓	✓	✓

Financial statements
The Audit Committee reviewed the financial statements for 2020/21 at its meeting on 8th June 2021. There were no significant issues for the Audit Committee to consider.

During 2020/21, the Committee reviewed the following areas:

- Board Assurance Framework
- Business case approval process
- CQC inspection follow-up – Manchester Royal Infirmary
- Core financial controls
- Data quality
- Facilities management.
- HR policies and procedures
- Hive EPR
- Impact of Covid-19
- Nursing bank and agency staffing.

Significant and key risks were considered in tandem with presentation of the external audit plan, the audit completion report and discussions with the external auditor.

External auditor
Mazars' initial term of two years as MFT's external auditors was due to expire on 13th November 2020. After receiving feedback on Mazars' satisfactory performance, the Audit Committee recommended to the MFT Council of Governors the extension of Mazars' appointment for a further two years, until 12th November 2022. The re-appointment is subject to a satisfactory performance after the third year. This recommendation was accepted by the Council of Governors at an extraordinary meeting on 10th November 2020.

The audit fee for the 2020/21 audit of the MFT Group is £81,600 + VAT. Mazars did not perform any non-audit services in 2020/21.

Internal audit and anti fraud services.
The Trust outsources internal audit and anti fraud work. KPMG were appointed to provide internal audit and MiAA to provide anti-fraud services for two years with effect from 1st April 2018.

The KPMG and MiAA contracts have been extended for a further two years to 31st March 2022, under provisions in the contract award which allowed for two optional one year extensions in addition to the initial two year contract period.

The internal auditors are responsible for undertaking the internal audit functions on behalf of the Trust. The Head of Internal Audit reports to each meeting of the Audit Committee on the audit activity undertaken. The Committee reviews and approves the Internal Audit Strategy and Plan and monitors progress including rigorous follow-up of recommendations. Additional information about internal audit is set out in the Annual Governance Statement (on pages 147-169).

Sir Michael Deegan CBE
Group Chief Executive
9th June 2021

3.2 Remuneration Report

Annual statement on remuneration by the Chairman
The Trust has a Remuneration Committee which advises the Board on appropriate remuneration and terms of service for the Group Chief Executive and Group Executive Directors. This Remuneration Report describes how the Trust applies the principles of good corporate governance through this Committee in relation to Directors' remuneration, as required by the Companies Act 2006, Regulation 11 and Schedule 8 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 and elements of the NHS Foundation Trust Code of Governance.

Remuneration Committee of the MFT Board of Directors
The MFT Remuneration Committee is a sub-committee of the MFT Board of Directors. The Committee is chaired by the Group Chairman, Mrs Kathy Cowell OBE DL.

The Committee's main purpose is to set rates of remuneration, terms and conditions of service for any staff on locally determined conditions of service including: the Group Chief Executive, Group Executive Directors, Hospital/MCS Chief Executives and Directors, i.e. those people in senior positions having authority or responsibility for directing or controlling the major activities of the Trust.

The Group Chief Executive and the Group Executive Director of Workforce & Corporate Business are also in attendance, when required, to provide information on Directors' performance and a review of general pay and reward intelligence including comparative data on Directors' salaries and NHS guidance on pay and terms and conditions, as requested. Individuals do not participate in any discussion relating to their own remuneration.

For clarity, the components of remuneration are:

- **Base salary-** individual base salaries are reviewed annually. For Group Executive Directors account is taken of the Department of Health and Social Care guidance on Very Senior Managers' Pay.
- **Pensions-** some, but not all, Group Executive Directors participate in the NHS Superannuation Scheme.

The Committee has clear terms of reference which are regularly reviewed (most recently in December 2020). Membership includes:

- The Group Chairman of the Trust's Board of Directors.
- All Group Non-Executive Directors.

During 2020/21, the Committee held two meetings:

Remuneration Committee – 11th May 2020

Present (Group NEDs)	Mrs Kathy Cowell (Chair), Mr John Amaechi, Professor Dame Sue Bailey, Dr Ivan Benett, Mr Barry Clare, Professor Luke Georghiou, Mr Nic Gower, Mrs Chris McLoughlin, Mr Trevor Rees
Apologies	None
In attendance	Mr Peter Blythin, Sir Mike Deegan, Mr Alwyn Hughes

Agenda Items:

- Receiving a report from the Group Chief Executive on the performance of Group Executive Directors
- Receiving a report from the Group Chairman on the performance of the Group Chief Executive.

As part of the Group Chief Executive's year-end review meeting with the Group Chairman, the Remuneration Committee was advised that each Group Executive Director's performance and ongoing contribution to the Trust was discussed in detail. Particular attention was drawn to the exemplary performance of each of the Group Executive Directors.

The Remuneration Committee was also asked to note the Chairman's determination that the Group Chief Executive had once again made an excellent contribution throughout the year, delivering exceptional performance against all individual objectives.

Remuneration Committee – 14th December 2020

Present (Group NEDs)	Mrs Kathy Cowell (Chair), Mr John Amaechi, Professor Dame Sue Bailey, Dr Ivan Benett, Mr Barry Clare, Mr Nic Gower, Mrs Chris McLoughlin, Mr Trevor Rees
Apologies	Professor Luke Georghiou
In attendance	Mr Peter Blythin, Mr Alwyn Hughes

Agenda items

- Receiving reports from the Executive Director of Workforce & Corporate Business on:
    - Non-Medical Local Pay Award 2020/21
    - Review of the salary of the Group Chief Pharmacist
    - Review of Director of Nursing salaries
    - The fixed term appointment of the Interim Chief Information Officer
- The Annual Review of the Remuneration Committee Terms of Reference.

In line with the lowest percentage uplift made to AFC staff, the Committee considered and supported a proposal to award a pay uplift of 1.03% (effective from 1st April 2020) to Executive Directors, Direct Reports of Executive Directors and other Senior Managers, and the Manchester Local Care Organisation (MLCO).

Discussion and decisions were also made following a review of the salaries of several Hospital/MCS Directors of Nursing, the Group Chief Pharmacist, and the remuneration package of the fixed-term appointment of the Interim Group Chief Information Officer.

The Committee also received and supported the annual review of the Remuneration Committee Terms of Reference (which was subsequently presented to the Board of Directors for approval on 11th January 2021)

Nominations Committee of the Council of Governors
The Nominations Committee of the Council of Governors has a responsibility to consider the structure, size and composition of the Board of Directors and make recommendations for any changes. It is also, with external advice as appropriate, responsible for the identification and nomination of new Group Non-Executive Directors, and the remuneration of Group Non- Executive Directors.
The Group Non-Executive Directors are not employees of the Trust. They receive no benefits or entitlements other than fees and are not entitled to any termination payments. The Trust does not make any contribution to the pension arrangements of Group Non-Executive Directors.

The terms of office for Group Non-Executive Directors at the Trust are managed in accordance with NHSI's Code of Governance, i.e. any term beyond six years (two three-year terms) will be subject to rigorous review and subject to annual reappointment.

- ***Group Chairman & Group Non-Executive Directors' Appraisal Process:***

It is important that there is a clear, fair and open performance review process for all Group Non-Executive Board Members that takes account of both individual accountability lines and the essential input of Governors.

Performance Reviews (Appraisals) are undertaken on an annual basis with the following key aim/outcomes being expected:

- Appraisal – evaluation of performance, opportunity to build on strengths and address any identified development needs.
- Raises overall standards of governance.
- Key principles:
  - Hold to account for performance
  - Set appropriate objectives consistent with role
  - Identify learning and development needs
  - Support succession planning and the management of the Group Non-Executive talent pool.
- All information is confidential within the agreed distribution of the process.

The appraisal process for the Group Chairman and Group Non-Executive Directors is a tried and tested process used in MFT's legacy organisations since 2009. An external appraisal specialist was appointed by the Trust Board Secretary (with support from the Lead Governor) to undertake an independent 360° appraisal of the Group Chairman in June 2020.

This individual is a Chartered Member of the CIPD and provides a Resourcing & Human Capital Solutions Consultancy Service established in 2005. She is known to the organisation and has been involved in Chairman Appraisals for a number of years. The fee for the independent input received was £1,920.

The Trust has also embraced the spirit of the new 'Framework for conducting annual appraisals of NHS provider chairs' issued by NHSI in autumn 2019.
In addition, a Governor questionnaire fed in views on Group Non-Executive Directors and the Group Chairman to the Acting Lead & Staff Governor and Senior Independent Director (SID) respectively. The SID confirmed the process adopted and the key headlines covered in the report with the Council of Governors' Nominations Committee (Panel of Governors) at its meeting on **10th July 2020**.

The Group Non-Executive Directors performance review process was facilitated by the Group Chairman and following a robust, fair, clearly defined and transparent process which took the views of Governors into account. A Group NED Performance Report was produced, with the Group Chairman discussing final sign off with the Acting Lead & Staff Governor, who shared the report findings highlights with the Council of Governors' Nominations Committee (Panel of Governors) at its meeting on 10th July 2020.

The following recommendation was made by the Panel of Governors to the Council of Governors at their meeting held on **24th November 2020**, and was approved:

> *The Council of Governors is asked to note the Council of Governors' Remuneration and Nominations Committee's Report (Panel of Governors) that the agreed appraisal process has taken into account all views and that Performance Reports have been received for the Group Chairman and each Group Non-Executive Director*.

- ***Extension of the Terms of Office of the Group Chairman and Group Non-Executive Directors***

The terms of office of the Group Chairman Kathy Cowell and several Group Non-Executive Directors - John Amaechi, Professor Dame Sue Bailey, Dr Ivan Bennett, Nic Gower and Trevor Rees – were due to expire on 19th December 2020. They had each served one three-year term of office from 20th December 2017.

The Council of Governors' Nominations Committee outlined and all supported the recommendation to reappoint the Group Chairman and Group Non-Executive Directors. The panel recognised the importance of maintaining stability and continuity within the Board of Directors, retaining the experience and skills to support the Trust's response to the ongoing health, social and economic challenges ahead.

It was also felt prudent to stagger the tenures, with the aim being to avoid the entire Group Non-Executive Directors' three-year tenures expiring simultaneously. This would lead to a further, large scale recruitment process, the risk of multiple vacancies occurring at the same time and a resultant loss in organisational knowledge.

The following recommendation was made by the Panel of Governors to the Council of Governors at their meeting held on **24th November 2020**, and was unanimously approved:

The Council of Governors' Nominations Committee recommended to the Council of Governors that:

- *Mrs Kathy Cowell is reappointed as MFT Group Chairman with effect from 20th December 2020 to 19th December 2023*
- *Mr Nic Gower is reappointed as MFT Group Non-Executive Director with effect from 20th December 2020 to 19th December 2023*
- *Mr Trevor Rees is reappointed as MFT Group Non-Executive Director with effect from 20th December 2020 to 19th December 2022*
- *Mr John Amaechi is reappointed as MFT Group Non-Executive Director with effect from 20th December 2020 to 19th December 2022*
- *Professor Dame Sue Bailey is reappointed as MFT Group Non-Executive Director with effect from 20th December 2020 to 19th December 2021*
- *Dr Ivan Benett is reappointed as MFT Group Non-Executive Director with effect from 20th December 2020 to 19th December 2021.*

- ***Remuneration of the MFT Group Chairman & Group Non-Executive Directors***

The Governor Remuneration Panel (of the CoG Nominations Committee) met on **29th March 2021** to consider options on the level of remuneration for the Group Chairman and Group Non-Executive Directors.

The following recommendation was made by the Governor Remuneration Panel to the MFT Council of Governors and was approved at their 'extraordinary meeting' held on **30th March 2021:**

'The Governors' Remuneration Panel (of the CoG Nominations Committee) recommends that the remuneration of the MFT Group Chairman, Group Deputy Chairman, Group Chair of the Audit Committee and the Group Non-Executive Directors is adjusted to the lowest percentage uplift (1.03%) paid within the 2020/21 Agenda for Change Pay Award), and, via the Lead Governor, is presenting this recommendation to the Council of Governors for approval'

Senior Managers' Remuneration policy – future policy table

Consideration	Salary/fees	Taxable benefits	Annual performance related bonus	Long term related bonus	Pension related benefits
Support for the short and long-term strategic objectives of the Foundation Trust	Ensure the recruitment/ retention of directors of sufficient calibre to deliver the Trust's objectives	None disclosed	Not applicable	Not applicable	Ensure the recruitment/ retention of directors of sufficient calibre to deliver the Trust's objectives
How the component operates	Monthly remuneration	None disclosed	Not applicable	Not applicable	Contributions are made in accordance with the NHS Pension Scheme
Framework used to assess performance	Trust appraisal process	None disclosed	Not applicable	Not applicable	Contributions are made in accordance with the NHS Pension Scheme
Performance measures	Based on individual objectives agreed with line manager	None disclosed	Not applicable	Not applicable	Not applicable
Performance period	Annual, linked to the individual's increment date	None disclosed	Not applicable	Not applicable	Not applicable
Amount paid for minimum level of performance and any further levels of performance	Remuneration committee calculated pay levels using criteria based on: -changes in responsibilities -cost of living increases	None disclosed	None paid	Not applicable	Contributions are made in accordance with the NHS Pension Scheme
Explanation of whether there are any provisions for recovery of sums paid to directors, or provision for withholding payment	Any sums paid in error may be recovered	None disclosed	None paid	None paid	Not applicable

Senior managers' remuneration policy

MFT's Executive Directors are employed on contracts of employment whose provisions are consistent with those relating to other employees within the Trust. There are no components within the remuneration relating to performance measures, bonuses or benefits in kind. Contracts for Directors do not contain any obligations which could give rise to or impact on remuneration payments or payments for loss of office.

The Trust has an Equality & Diversity Policy in Employment that sets out its approach to equality in the workforce. All workforce policies in line with the policy have an equality impact assessment undertaken. The Trust set out its new Equality, Diversity & Inclusion Strategy in October 2019 https://mft.nhs.uk/the-trust/equality-diversity-and-inclusion/ .

Monitoring of the impact of the strategy at an operational level is undertaken at the Group Equality, Diversity & Inclusion Group; the HR Scrutiny Committee monitors against the strategic aims. The Board annually accepts the Gender Pay report which outlines how MFT is performing against the national Gender Pay reporting framework.

The MFT executive pay structure is very simple. There is basic pay and no other elements. All pay is taxed at source. There are no bonus payments – however, Executive salaries are subject to a 10% earn back element in accordance with NHSI guidance.

Salaries have been benchmarked against NHS Improvement (NHSI) guidance. The remuneration policy for other senior managers (those reporting directly to Executives) provides a progression ladder between the pay of other employees and that of Executive Directors. MFT did not consult with employees when preparing the senior managers' remuneration policy, but did consult with individuals about how the application of the policy would apply to them.

Executive Directors of the Trust are employed on a permanent contract basis. Required notice periods are six months, except for the Group Chief Executive whose notice period stands at twelve months.

Where salaries of very senior managers exceed £150,000 per annum, this is in accordance with NHSI guidance and benchmarks and they are appropriate to match the market rate.

Performance of the Executive Directors is assessed and managed through regular appraisal against predetermined objectives along with monthly one to one reviews with the Group Chief Executive.

Similarly, the Chairman holds monthly one to one's with the Group Chief Executive. Any deficit in performance is identified during these regular meetings. Serious performance issues are managed via our organisational performance capability management policy.

Performance of the Non-Executive Directors (including the Deputy Chairman) is assessed and managed through regular appraisal by the Chairman against predetermined objectives along with regular one to one reviews with each NED. Any deficit in performance is identified during these regular meetings along with opportunities for regular professional development.

Appraisals led by the Chairman - for the Group Chief Executive and Non-Executive Directors – are used as an opportunity to identify continuing professional development needs. No performance payment element has been paid to any of the Trust's Executive Directors during 2020/21. Equally, there have been no payments to either Executive or Non-Executive Directors for loss of office.

There are no special contractual compensation provisions for early termination of Executive Directors' contracts. Early termination by reason of redundancy is subject to the normal provisions of the Agenda for Change (AfC): NHS Terms and Conditions of Service Handbook (Section 16). For those above the minimum retirement age, early termination by reason of redundancy is in accordance with the NHS Pension Scheme. Employees above the minimum retirement age who themselves request termination by reason of early retirement are subject to the normal provisions of the NHS Pension Scheme.

The principles for determining how payments for loss of office will be approached would be determined by the circumstances of the loss of office and would all be considered on a case by case basis by the Remuneration Committee and would be discussed with NHSI in advance.

Expenses

Directors

- The total number of Directors in office during 2020/21 was 18 (2019/20, 18)
- The number of Directors receiving expenses in 2020/21 was 4 (2019/20, 7)
- The total amount of expenses paid to Directors in 2020/21 was £1,375 (2019/20 £5,655).

Governors

- The total number of Governors in office during 2020/21 was 37 (2019/20, 35)
- The number of Governors receiving expenses in 2020/21 was 1 (2019/20, 6)
- The total amount of expenses paid to Governors in 2020/21 was £16 (2019/20, £520).

Directors' Remuneration
Salaries for 2020/21 (audited)

	Salary £000 (Bands of £5,000) £000	Taxable benefits in kind (Rounded to nearest £100) £0	Annual performance related bonuses	Long-term performance related bonuses	All pension related benefits (Bands of £2,500) £000	Total Bands of £5,000) £000
Kathy Cowell, Group Chairman	65-70	0	0	0	0	65-70
Barry Clare, Group Deputy Chairman	15-20	0	0	0	0	15-20
John Amaechi, Group Non-Executive Director	15-20	0	0	0	0	15-20
Dr Ivan Benett, Group Non-Executive Director	15-20	0	0	0	0	15-20
Chris McLoughlin, Group Non-Executive Director/Senior Independent Director	15-20	0	0	0	0	15-20
Nic Gower, Group Non-Executive Director	20-25	0	0	0	0	20-25
Prof Luke Georghiou, Group Non-Executive Director	15-20					15-20
Dame Sue Bailey, Group Non-Executive Director	15-20	0	0	0	0	15-20
Trevor Rees, Group Non-Executive Director	15-20	0	0	0	0	15-20
Sir Mike Deegan, Group Chief Executive	275-280		0	0	0	275-280

	Salary £000 (Bands of £5,000) £000	Taxable benefits in kind (Rounded to nearest £100) £0	Annual performance related bonuses	Long-term performance related bonuses	All pension related benefits (Bands of £2,500) £000	Total Bands of £5,000) £000
Gill Heaton, Group Deputy Chief Executive	165-170	200	0	0	0	1b5-170
Miss Toli Onon, Joint Group Medical Director	195-200		0	0	35-37.5	235-240
Adrian Roberts, Group Chief Finance Officer (left 31/3/20)						
Jenny Ehrhardt, Group Chief Finance Officer (from 1/4/20)	190-195				37.5-40	230-235
Julia Bridgewater, Group Chief Operating Officer	205-210	0	0	0	0	205-210
Cheryl Lenney, Group Chief Nurse	170-175	0	0	0	0	170-175
Darren Banks, Group Director of Strategy	170-175	0	0	0	25-27.5	200-205
Prof Jane Eddleston Joint Group Medical Director	185-190	0	0	0	0	185-190
Peter Blythin, Group Executive Director of Workforce & Corporate Business	180-185	0	0	0	0	180-185

Directors' Remuneration
Salaries for 2019/20 (audited)

	Salary £000 (Bands of £5,000) £000	Taxable benefits in kind (Rounded to nearest £100)	Annual performance -related bonuses	Long-term performance related bonuses	All pension related benefits (Bands of £2,500) £000	Total Bands of £5,000) £000
Kathy Cowell, Group Chairman	65-70	0	0	0	0	65-70
Barry Clare, Group Deputy Chairman	15-20	0	0	0	0	15-20
John Amaechi, Group Non-Executive Director	15-20	0	0	0	0	15-20
Dr Ivan Benett, Group Non-Executive Director	15-20	0	0	0	0	15-20
Chris McLoughlin, Group Non-Executive Director/ Senior Independent Director	15-20	0	0	0	0	15-20
Nic Gower, Group Non-Executive Director	20-25	0	0	0	0	20-25
Prof Luke Georghiou, Group Non-Executive Director	15-20					15-20
Dame Sue Bailey, Group Non-Executive Director	15-20	0	0	0	0	15-20
Trevor Rees, Group Non-Executive Director	15-20	0	0	0	0	15-20
Sir Mike Deegan, Group Chief Executive	290-295	0	0	0	0	290-295

	Salary £000 (Bands of £5,000) £000	Taxable benefits in kind (Rounded to nearest £100)	Annual performance -related bonuses	Long-term performance related bonuses	All pension related benefits (Bands of £2,500) £000	Total Bands of £5,000) £000
Gill Heaton, Group Deputy Chief Executive	155-160	0	0	0	0	155-160
Miss Toli Onon, Joint Group Medical Director	190-195	200	0	0	30-32.5	220-225
Adrian Roberts, Group Chief Finance Officer	200-205	0	0	0	0	200-205
Julia Bridgewater, Group Chief Operating Officer	200-205	0	0	0	5-7.5	205-210
Margot Johnson, Group Director of Workforce & OD (left the Board 30/3/19)	-	-	-	-	-	-
Cheryl Lenney, Group Chief Nurse	160-165	0	0	0	0	160-165
Darren Banks, Group Director of Strategy	170-175	0	0	0	0	170-175
Prof Jane Eddleston Joint Group Medical Director	175-180	0	0	0	0	175-180
Peter Blythin, Group Executive Director of Workforce & Corporate Business (joined the Board 1/4/19)	170-175	0	0	0	0	170-175

Directors' Remuneration

Professor Luke Georghiou commenced his role as Group-Non-Executive Director on 1st June 2018 and has elected not to receive his remuneration for this post, but has nominated that the University of Manchester receive it on his behalf.

The benefits and related CETVs do not allow for a potential future adjustment arising from the McCloud judgment.

The method used to calculate CETVs has changed to remove the adjustment for Guaranteed Minimum Pension (GMP) on 8 August 2019. If an individual was entitled to a GMP, this will affect the calculation of the real increase in CETV which has been reported. This is more likely to affect individuals who are members of the 1995 Section and 2008 Section of the NHS Pension Scheme.

Pensions for 2020/21 (audited)

	Real increase/ (decrease) in pension at age 60	Real increase/ (decrease) in pension lump sum at age 60	Total accrued pension at age 60 at 31st March 2021	Lump sum at age 60 related to accrued pension at 31st March 2021	Cash Equivalent Transfer Value at 31st March 2021	Cash Equivalent Transfer Value at 31st March 2020	Real increase in Cash Equivalent Transfer Value
	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000			
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Jenny Ehrhardt, Group Chief Finance Officer *	45.0 to 47.5	92.5 to 95.0	45 to 50	90 to 95	659	0	659
Darren Banks, Group Director of Strategy *	70.0 to 72.5	172.5 to 175.0	70 to 75	170 to 175	1,281	0	1,281
Miss Toli Onon, Joint Group Medical Director	7.5 to 10.0	12.5 to 15.0	70 to 75	170 to 175	1,493	1,280	192

Pensions for 2019/20 (audited)

	Real increase/ (decrease) in pension at age 60	Real increase/ (decrease) in pension lump sum at age 60	Total accrued pension at age 60 at 31st March 20209	Lump sum at age 60 related to accrued pension at 31st March 2020	Cash Equivalent Transfer Value at 31st March 2020	Cash Equivalent Transfer Value at 31st March 2019	Real increase in Cash Equivalent Transfer Value
	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000			
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Julia Bridgewater, Group Chief Operating Officer	0-2.5	2.5-5	85-90	260-265	2,065	1,933	56
Miss Toli Onon, Joint Group Medical Director	2.5-5	0-2.5	60-65	150-155	1,280	1,185	42

The above table gives Pension Benefits accruing from the NHS Pension Scheme up to 31st March 2021 (prior year up to 31st March 2020) - as Non-Executive Directors do not receive pensionable remuneration, there are no entries in respect of pensions for these Directors.

**The above table only includes the details of the three Directors (prior year two Directors) who are currently in the NHS pension scheme. In the current financial year the Group Chief Finance Officer has been in post since 1st April 2021 and the Group Director of Strategy joined the scheme, so there are no previous year comparative values. The Group Chief Operating Officer left the scheme therefore there are no current year values.*

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the Pension Scheme benefits accrued by a Scheme Member at a particular point in time. The benefits valued are the member's accrued benefits, and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a Pension Scheme, or arrangement to secure Pension Benefits in another Pension Scheme, or arrangement when the member leaves a Scheme, and chooses to transfer the benefits accrued in their former Scheme.

The Pension figures shown relate to the benefits which the individual has accrued as a consequence of their total membership of the Pension Scheme, not just their service in a senior capacity within this Trust and this Group, to which the disclosure applies.

The CETV figures and other Pension details include the value of any Pension Benefits in another scheme or arrangement which the individual has transferred to the NHS Pension Scheme.

They also include any additional Pension Benefit accrued to the member as a result of their purchasing additional years of Pension Service in the Scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV - this reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued Pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another Pension Scheme or arrangement), and uses common market valuation factors for the start and end of the period.

Fair pay multiple (audited)
Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The full time equivalent annual remuneration of the highest paid director in Manchester University Hospitals NHS Foundation Trust in the financial period was £277,500 (£292,500 2019/20). This was 9.1 times the median remuneration of the workforce, which was £30,615 (£30,112 2019/20). The remuneration ratio has decreased from 9.7 in 2019/2020 to 9.1 in 2020/2021. This is as a consequence of the pay review of the highest paid director in line with the policy on Directors remuneration.

In 2020/21, no employees (2019/20, 0) received remuneration in excess of the highest paid director. Remuneration ranged from £17,051 to £277,500 (2019/20, £17,652 to £292,500).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Exit packages 2020/21 (audited)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	1	37	38
£10,000- £25,000	2	9	11
£25,001 - £50,000	5	1	6
£50,000 - £100,000	2	0	2
£100,000 - £150,000	0	0	0
£150,000 - £200,000	0	0	0
Total	10	47	57

	Agreements Number	Total Value of Agreements £000
Contractual payments in lieu of notice	47	277

Exit packages 2019/20 (audited)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	3	47	50
£10,000- £25,000	4	7	11
£25,001 - £50,000	3	2	5
£50,000 - £100,000	3	0	3
£100,000 - £150,000	1	0	1
£150,000 - £200,000	0	0	0
Total	14	56	70

	Agreements Number	Total Value of Agreements £000
Contractual payments in lieu of notice	56	299

Sir Michael Deegan CBE
Group Chief Executive
9th June 2021

Our Members and Governors

As an NHS Foundation Trust, we are accountable to our members (who include our patients, local residents, staff and stakeholders), with members being able to influence the Trust's decision-making processes and forward plans. Engaging with our members means we can respond much more quickly and effectively to the identified needs of our patients, their families and our staff, delivering a patient-centred National Health Service.

Another key benefit of being an NHS Foundation Trust is that those living in the communities, that we serve, can become public members with MFT's membership community being made up of both Public Members (including local residents, patients and carers) and Staff Members (including MFT's employees and other people who provide services to the Trust).

Foundation Trusts are democratic organisations in that Public and Staff Members vote for and can stand to become elected representatives (Governors) who, in turn, are responsible for representing the interests of members and partner organisations. They also hold Non-Executive Directors to account for the performance of the Board of Directors. FTs are therefore accountable to their members through their elected and nominated Governors.

We usually have a busy programme of engagement activities, meetings and events for Governors and Members. However, as a direct result of the ongoing Covid-19 National Emergency (social distancing, national/local lockdown restrictions etc.) and associated guidance released from our Regulators (NHS England/Improvement) has meant that all usual face to face meetings and events were stood down with alternative new ways of working/engaging being developed including virtual meetings/sessions and film-clips being established.

Throughout this challenging period, Governors have continued to carry out their roles with commitment and enthusiasm. The Trust's robust governance processes ensured that all statutory requirements were met.

MFT'S Membership Aim & Key Priorities

Membership Aim:

- For the Trust to have a representative membership which truly reflects the communities that it serves with Governors actively representing the interests of members as a whole and the interests of the public.

Key Priorities:

- *Membership Community* – to uphold our membership community by addressing natural attrition and membership profile short-fallings.
- *Membership Engagement* – to develop and implement best practice engagement methods.
- *Governor Development* – to support the developing and evolving role of Governor by equipping Governors with the skills and knowledge in order to fulfil their role.

Membership Community - by ensuring that our public membership is diverse and representative of the communities that we serve enables:

- A wide-range of people from various backgrounds, locations and profile groups, to regularly receive:
    - Key Trust information e.g. membership newsletters, invites and updates etc.
    - Key Membership involvement opportunities e.g. voting for Governor representatives and/or standing for election as a Governor.

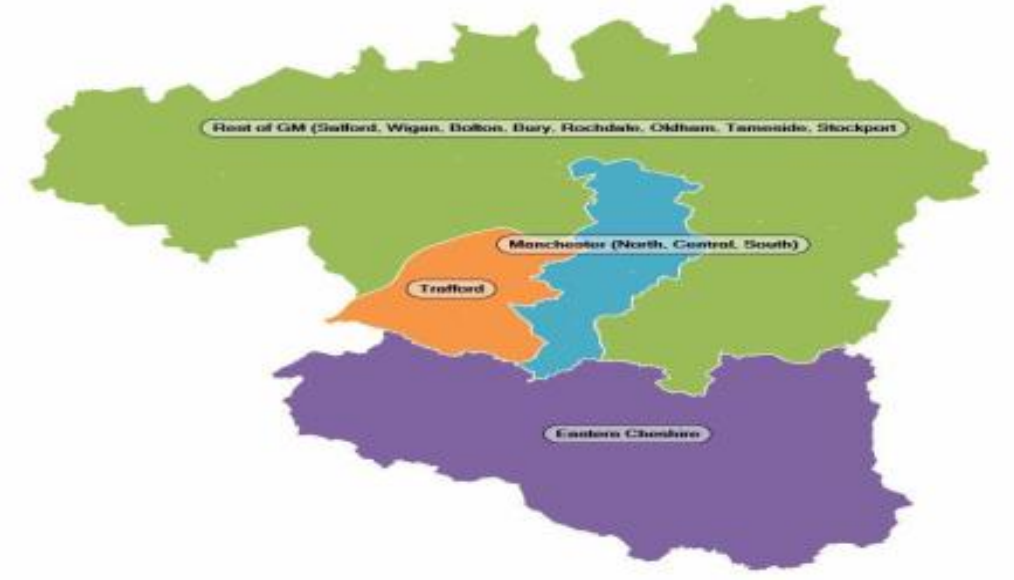
On 31st March 2021, we had 23,397 public members and 27,034 staff members, giving an overall total membership community of 50,431 members.

Public Membership

Public membership is on an opt-in basis, being free of charge and is open to anyone who is aged 11 years or over and resides in England and Wales. Our Public Member constituency is subdivided into five areas:

Public Constituencies	*Number of public members*
Manchester	8,521
Trafford	3,359
Eastern Cheshire	1,077
Rest of Greater Manchester	7,846
Rest of England & Wales	2,594
Total	23,397

The map below illustrates the Public Member Constituencies for Manchester, Trafford, Eastern Cheshire and Rest of Greater Manchester areas. Areas that fall outside these constituencies are captured in the Rest of England and Wales Constituency.



We are committed to having a representative membership that truly reflects the communities that we serve and we welcome members from all backgrounds and protected characteristics. Due to the coronavirus pandemic, we were unable to carry out our usual face to face public member recruitment campaign in February 2021.

Alternative on-line/electronic communications and recruitment initiatives were deployed to encourage members of the public to consider becoming a member of MFT.

Public Membership Analysis Table at 31st March 2021

Profile Group	Membership 2019/20	%	Membership 2020/21	%
Age				
0-16	836	3.5	626	2.7
17- 21	1,513	6.2	1,325	5.6
22+	20,544	84.4	20,067	85.8
Not Stated	1,448	5.9	1,379	5.9
Ethnicity				
White	16,587	68.1	15,902	68.0
Mixed	559	2.3	541	2.3
Asian or Asian British	3,020	12.4	2,937	12.5
Black or Black British	1,326	5.5	1,290	5.5
Other	313	1.3	299	1.3
Not Stated	2,536	10.4	2,428	10.4
Gender				
Male	10,709	44.0	10,270	43.9
Female	12,534	51.5	12,082	51.6
Transgender	2	-	2	-
Not Stated	1,096	4.5	1,043	4.5
Recorded Disability	2,194	9.0	2,092	8.9

Note: Although the 0-16 year old membership group figure may appear low, the Trust's membership base for this group is between the ages of 11-16 years.

Total Public Membership (31st March 2021) = 23,397 (includes 1,379 members with no stated age, 2,428 members with no stated ethnicity, 1,043 members with no stated gender and 2 members who identify as transgender).

The Board of Directors monitor how representative our membership is and the effectiveness of membership engagement as part of the annual reporting process.

Staff Membership

Staff membership is open to individuals who are employed by the Trust under a contract of employment including temporary or fixed-term (minimum of 12 months) or exercising functions for the Trust with no contract of employment (functions must be exercised for a minimum of 12 months).

All qualifying members of staff are automatically invited to become members, as we are confident that our staff want to play an active role in developing better quality services for our patients. Staff are, however, able to opt out if they wish to do so.

The Staff Member Constituency is subdivided into four staff classes:

Staff classes	*Number of staff members*
Medical & Dental	2,397
Nursing & Midwifery	8,046
Other Clinical Staff	8,397
Non-Clinical & Support	8,194
Total	**27,034***

** This figure includes clinical academics, facilities management contract staff and full head counts which include bank staff and staff on zero hours contracts'*

Membership Engagement & Membership Strategy
We have a 'Membership & Engagement Strategy' which outlines how patients, carers, members of the public and the local communities that we serve can become more involved by becoming members of our Trust.

The Strategy defines our membership community, outlining how we recruit, retain, engage, support, and involve our membership. It also explains how we deliver effective member communication and evaluate membership recruitment and engagement success.

In addition, the strategy also outlines the Governor (membership representatives) role and duties alongside the key areas to support and develop the evolving role of Governors. The composition of MFT's Council of Governors is also included alongside the review process for the composition of the Trust's Group Non-Executive Directors. The Membership Strategy is reviewed by MFT's Council of Governors.

Membership Engagement/Benefits – members' views are valued and their support and involvement is vital to our future success:

- *Having a voice, through Governors (their elected representatives), which ultimately helps us to shape our future service provisions to more meet members', and their family's needs*
- *On behalf of members, the Council of Governors directly engage with the Board of Directors to share both their and members' views during decision-making processes and when formulating future plans*
- *Membership is completely free*
- *Once a member, the individual decides how involved they want to be.*

The Trust strives to engage with members so that their contribution and involvement is turned into tangible service benefits, thus improving the overall experiences of our patients. Membership engagement is facilitated through our strong working relationship with our Governors and key membership communications.

As a result of the ongoing Covid-19 National Emergency and associated 'lockdown' and social distancing measures, NHS England/Improvement (NHSI/E) released several associated guidance documents which necessitated Governors suspending all face-to-face recruitment and engagement practices for the foreseeable future and/or until it is deemed safe by Government and health officials to resume normal interactions.

The Guidance specified that the Trust's engagement with members (including the general public) should be limited to 'Covid-19 purposes', with regular briefings being issued to Staff and Governors (via e-mail from the Trust's Communications Team) alongside key information being posted on the Trust's website https://mft.nhs.uk/coronavirus-Covid-19/ in order to accommodate this.

In keeping with the NHSE/I Guidance, the Trust established a new virtual format for the Annual Members' Meeting which was available for members and the public to view on 22nd September 2020. As part of this new virtual formation, the Trust's Directors produced a series of films covering the 2019/20 Annual Report and Accounts and outlined our plans for the future. A Membership Report/Overview alongside the results of our 2020 Governor Elections/Nominations were also provided. The films are available at https://mft.nhs.uk/member-meetings/annual-members-meeting-2

Members were invited to watch the films and to submit any questions or feedback to the Trust Board Secretary with associated responses to the questions received being posted on the above Trust webpage. They also received our 'Member News' newsletter with updates on Trust activities and the ongoing response to the coronavirus pandemic.

How to become a Member
We are committed to establishing a truly representative membership and we welcome members from all backgrounds and protected characteristics including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation (this is not exclusive of other diverse backgrounds).

Membership application forms are available on the Trust's website (www.mft.nhs.uk) by clicking the 'Become a Member of our Trust – Membership Form' button with hard copies being available from the Foundation Trust Membership Office (contact: ft.enquiries@mft.nhs.uk or 0161 276 8661).

As part of the NHS membership application process, individuals are asked to supply their personal data, with any data that is supplied being used only to contact them about the Trust's Membership or other related issues and will be processed for these purposes only. A copy of MFT's privacy notice can be found on the Trust's website https://mft.nhs.uk/privacy-policy/

Changes to membership details or cancelling membership
As part of the membership application process, the Department of Health asks NHS Foundation Trusts to capture information in relation to ethnicity, language and disability status so that we can be sure that we are representing all sections of our communities. We therefore ask membership applicants to disclose this information during the application process with all information collected being confidential, in keeping with Data Protection rules, and it is not released to third parties. Informational changes or membership cancellations are forwarded to the Foundation Trust Membership Office (contact: ft.enquiries@mft.nhs.uk or 0161 276 8661).

Helping to reduce our carbon footprint
Our Trust has an action plan to reduce our carbon footprint and save valuable natural resources. One of our sustainability commitments is to reduce the number of documents that we print, and we hope that members will help us to achieve this. Members are encouraged to receive information via e-mail by providing their email address during their application and/or involvement process or by contacting the Foundation Trust Membership Office (contact: ft.enquiries@mft.nhs.uk or 0161 276 8661).

Our Council of Governors
The Board of Directors and Council of Governors have distinct roles. The Board is responsible for the direction, all aspects of operation and performance, and for effective governance of the Trust, with the Council of Governors being responsible primarily for seeking assurance about the performance of the Board.

Our Council of Governors was established following the creation of MFT on 1st October 2017. The Board of Directors is committed to understanding the views of Governors and Members by holding and participating in regular Governor and Members' Meetings/Events.

As set out in the Health & Social Care Act (2012), the two key duties of the Council of Governors are:

- to represent the views and interests of members of the Trust as a whole and the interests of the public.
- to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors.

From these key duties, we have developed the following Governor aim and key objectives:

Aim - Governors proactively representing the interests of members as a whole and the interests of the public via active engagement and effectively holding the Non-Executive Directors, both individually and collectively, to account for the performance of the Board of Directors.

MFT's Council of Governors has also developed the following associated Vision and Values:

Vision – Council of Governors purposestatement

"Members (including public and staff), General Public and stakeholders – to be effectively represented by Governors who collectively connect and engage by supporting individuals to have healthy dialogues and seek appropriate and relevant performance assurance from the Board (via Non-Executive Directors)"

Values – Council of Governors Operating Principles

Working Together

- We will participate in meetings and be committed to our role of Governor
- We will advise of our meeting/event availability and when participating in meetings/events, we will be on time
- We will read ahead and be prepared so we are able to contribute effectively
- We will strive to ensure that the interaction between the Board of Directors and the Council of Governors is seen primarily as being a constructive partnership seeking to work effectively together in our respective roles
- We will proactively engage with the Board of Directors in those circumstances when we have concerns

Dignity and Care

- We will support each other to work on our common objectives and collective beliefs, in keeping with our Governor Role/Code of Conduct

Everyone Matters

- We will listen to each other, allowing one person to speak at a time and give everyone the opportunity to contribute
- We will recognise time constraints and respect each other's time

We have 32 Elected and Nominated Governors on our Council of Governors, the majority of whom (24 out of 32) are directly elected from and by our members. The table below outlines the composition of our Council of Governors:

Governor Constituency/Class/Partner Organisation		Number of Governor Posts
Public	Manchester	7
	Trafford	2
	Eastern Cheshire	1
	Greater Manchester	5
	Rest of England & Wales	2
	Total:	17
Staff	Nursing & Midwifery	2
	Other Clinical	2
	Non-Clinical & Support	2
	Medical & Dental	1
	Total:	7
Nominated	Local Authority (Manchester City Council and Trafford Council)	2
	Manchester University	1
	Manchester Health & Care Commissioning Group	1
	Trust Volunteer	1
	Trust Youth Forum	2
	Manchester Council for Community Relations or Manchester BME Network	1
	Third sector umbrella organisation (currently Caribbean & African Health Network)	1
	Total:	8

In 2020/21, elections for eight Public Governors and four Staff Governors were held and new nominations/re-nominations were received for 3 Nominated Governors, from Trafford Borough Council, MFT Volunteer Services and Manchester BME Network.

Our Board of Directors can confirm that elections for both Public and Staff Governors were held in accordance with the election rules as stated in our Constitution.

The Trust's Governor Election Turnout Data - 2020					
Date of Election	Constituencies/Classes Involved	Number of Eligible Voters (Members)	Number of Seats Contested	Number of Contestants	Election Turnout
September 2020	Public – Eastern Cheshire	1113	1	5	16.2%
	Public – Greater Manchester	8065	2	14	6.4%

	Public – Manchester	8799	4	28	7.3%
	Public – Trafford	3451	1	9	11%
	Staff – Medical and Dental	2358	1	7	16.3%
	Staff – Non-Clinical & Support	7540	1	14	9.7%
	Staff – Nursing & Midwifery	7517	1	4	7%
	Staff – Other Clinical	8869	1	4	6.7%

Successful candidates and nominees were announced at our virtual Annual Members' Meeting on 22nd September 2020 and formally commenced in post following closure of the meeting. More information about our Governor Elections and Annual Members' Meeting can be found at https://mft.nhs.uk/the-trust/governors-and-members/

Lead Governor elections were also held during October/November 2020 with Geraldine Thompson (Staff Governor – Other Clinical) being elected for a one year term of office. Results were formally announced at the Council of Governors' Meeting on 24th November 2020 with the Lead Governor formally commencing in post following closure of this meeting.

Remembering Jayne Bessant
It is with great sadness that I share with you news of the death of our former Lead Governor and deeply valued colleague Jayne Bessant. She passed away peacefully at home on 14th September 2020.

Jayne played an active and pivotal role as a Public Governor, joining the former CMFT in 2008 as a Shadow Governor and became a substantive Governor in 2009 upon CMFT's authorisation as a Foundation Trust. Jayne had also been our Lead Governor since 2018. She was a truly remarkable individual who had given so much to so many over the years.

Jayne had vision and passion and used these qualities to inform strategy. She always took the time to listen, and colleagues benefited from her wise counsel and her straightforward approach. I know her fellow Governors all respected her greatly and that like me they will miss her enormously.

Kathy Cowell OBE DL, Trust Chairman

Governor interactions
The Council of Governors is encouraged to ensure its interaction and relationship with the Board of Directors is appropriate and effective. Governors hold our Group Non-Executive Directors (individually and collectively) to account for the performance of our Board of Directors, by ensuring that they act so that we do not breach the terms of our authorisation. In addition, Governors receive agendas and approved minutes for each Board of Directors' Meeting.

Governors are responsible for feeding back information about the Trust i.e. its vision, forward plan (including its objectives, priorities and strategy) and its performance to members and the public. In the case of Nominated Governors, this information is fed back to the stakeholder organisations that nominated them. Governors are, in return, also responsible for communicating back to the Board of Directors the opinions canvassed, ensuring that the interests of our members and the public are represented.

For 2020/21 the usual Forward Planning process was replaced by Covid Recovery Planning around how to reinstate and run services while living with Covid-19. Production of our MFT plan was aligned with the national planning timetable. The process was shorter and more focused than in previous years and Governor engagement was virtual.

Members of the Council of Governors 2020/21
As outlined in the Trust's Constitution (February 2021), an elected Governor may hold office for a period of up to three years.

Elected Public Governors		
Name	**Public Constituency**	**Term of Office**
Dr Syed Ali	Manchester	3 years ending 2023
John Churchill	Manchester	3 years ending 2023
Janet Heron	Manchester	3 years ending 2022
Dr Michael Kelly	Manchester	3 years ending 2023
Ann Kerrigan	Manchester	3 years ending 2022
Cllr Julie Reid	Manchester	3 years ending 2023
Lisa Watson	Manchester	3 years ending 2022
Margaret Clarke	Trafford	3 years ending 2022
Jane Reader	Trafford	3 years ending 2023
Chris Templar	Eastern Cheshire	3 years ending 2023
Ivy Ashworth-Crees	Rest of Greater Manchester	3 years ending 2023
Ronald Catlow	Rest of Greater Manchester	3 years ending 2022
Paula King	Rest of Greater Manchester	3 years ending 2021
Colin Potts	Rest of Greater Manchester	3 years ending 2022
Carol Shacklady	Rest of Greater Manchester	3 years ending 2023
Sheila Otty	Rest of England & Wales	3 years ending 2021
Christine Turner	Rest of England & Wales	3 years ending 2022

Public Governor Terms of Office Ended during 2020/21:
- Jayne Bessant (Manchester) – RIP Deceased (September 2020)
- Suzanne Russell (Manchester) – Stepped down (June 2020)
- Sue Rowlands (Manchester) – Stepped down (September 2020)

- Cliff Clinkard (Rest of Greater Manchester) - Stepped down (September 2020)

Elected Staff Governors		
Name	**Staff Class**	**Term of Office**
John Cooper	Nursing & Midwifery	3 years ending 2022
Priscilla Katapa	Nursing & Midwifery	3 years ending 2023
Esther Akinwunmi	Other Clinical	3 years ending 2022
Geraldine Thompson	Other Clinical	3 years ending 2023
Rachel Koutsavakis	Non-Clinical & Support	3 years ending 2022
Flo Emelone	Non-Clinical & Support	3 years ending 2023
Prof Ian Pearson	Medical & Dental	3 years ending 2023

Staff Governor Terms of Office Ended during 2020/21:

- Jacky Edwards (Nursing & Midwifery) - Stepped down September 2020

A Nominated Governor may hold office for a period of up to three years with Governors being nominated by a number of partner organisations and groups:

Nominated Governors		
Name	**Nominating Organisation**	**Term of Office**
Dr Shruti Garg	The University of Manchester	3 years ending 2022
Cllr James Wilson	Manchester City Council	3 years ending 2022
Bethan Rogers	MFT Youth Forum	3 years ending 2022
Rev Charles Kwaku-Odoi	Third Sector Umbrella Organisation (currently Caribbean & African Health Network)	3 years ending 2021
Cllr Chris Boyes	Trafford Borough Council	3 years ending 2023
Circle Steele	Manchester BME Network	3 years ending 2023
David Brown	MFT Volunteer Services	3 years ending 2023
VACANT	Manchester Health and Care Commissioning	

Nominated Governor Terms of Office Ended during 2020/21:

- Graham Watkins (MFT Volunteer Services) - Stepped down September 2020

Governors can be contacted through our Foundation Trust Membership Office in the following ways:

By Post:
Freepost Plus RRBR-AXBU-XTZT
MFT NHS Trust
Oxford Road
Manchester M13 9WL

By Phone: 0161 276 8661
(office hours 9.00 am to 5.00 pm, Monday to Friday; answering machine outside these hours)

By E-mail: ft.enquiries@mft.nhs.uk

Declaration of Interests
The Governors' Declaration of Interest Register is updated on an annual basis and formally recorded at a Council of Governors' Meeting. The register discloses the details of any company directorships or other material interests held by Governors. None of our Council of Governors hold the position of Director and Governor of any other NHS Foundation Trust. More information about our Council of Governors and associated register is available on the Trust's website – 'Meet our Governors' webpage (https://mft.nhs.uk/the-trust/governors-and-members/council-of-governors/).

Council of Governor Meetings
Council of Governors' (COG) Meeting dates are promoted on our website (Members' Meetings - https://mft.nhs.uk/the-trust/governors-and-members/members-meetings/).

Four Council of Governors' Meetings are usually held each year. However, during 2020/21, seven meetings took place virtually (video/teleconferencing) in order to meet NHSE/I Guidance (social distancing restrictions/regulations).

Governor Attendance at Council of Governor Meetings – 2020/21

Governor	Council of Governors' Meetings (including Extraordinary Meetings)						
	2020					2021	
	15th May	20th July	10th Nov	24th Nov	9th Dec	10th Feb	30th March
Esther Akinwunmi – Staff Governor (Other Clinical)	✓	✓	✓	✓	✓	x	✓
Dr Syed Ali – Public Governor (Manchester)			✓	✓	✓	✓	✓
Ivy Ashworth-Crees – Public Governor (Rest of Greater Manchester)	✓	✓	✓	✓	✓	✓	✓
Jayne Bessant – Lead & Public Governor (Manchester)*	✓	x					
Chris Boyes – Nominated Governor (Trafford Borough Council)	✓	✓	✓	✓	✓	✓	✓
David Brown – Nominated Governor (Volunteer Services)			✓	✓	✓	✓	✓
Dr Ronald Catlow – Public Governor (Rest of Greater Manchester)	✓	✓	x	✓	✓	✓	✓
John W Churchill – Public Governor (Manchester)			✓	✓	✓	✓	✓
Margaret Clarke – Public Governor (Trafford)	✓	✓	✓	✓	✓	✓	✓
Cliff Clinkard – Public Governor (Rest of Greater Manchester)*	✓	✓					
John Cooper – Staff Governor (Nursing & Midwifery)	x	x	✓	✓	x	x	✓
Jacky Edwards – Staff Governor (Nursing & Midwifery)*	✓	✓					
Flo Emelone – Staff Governor (Non-Clinical & Support)			✓	✓	✓	x	✓
Dr Shruti Garg – Nominated Governor (University of Manchester)	x	✓	✓	✓	x	x	✓
Janet Heron – Public Governor (Manchester)	x	✓	✓	✓	✓	✓	✓
Priscilla Katapa – Staff Governor (Nursing & Midwifery)			x	✓	✓	✓	x

Dr Michael Kelly – Public Governor (Manchester)	✓	✓	✓	✓	✓	✓	✓
Ann Kerrigan – Public Governor (Manchester)	✓	x	✓	x	✓	✓	✓
Paula King – Public Governor (Rest of Greater Manchester)	✓	✓	✓	✓	✓	✓	✓
Rachel Koutsavakis – Staff Governor (Non-Clinical & Support)	✓	x	✓	✓	✓	✓	✓
Rev Charles Kwaku-Odoi – Nominated Governor (Caribbean & African Health Network)	x	✓	x	x	✓	✓	x
Sheila Otty – Public Governor (Rest of England & Wales)	✓	✓	x	✓	✓	✓	✓
Prof Ian Pearce – Staff Governor (Medical & Dental)			✓	✓	✓	✓	x
Colin Potts – Public Governor (Rest of Greater Manchester)	✓	✓	✓	✓	✓	✓	✓
Jane Reader – Public Governor (Trafford)	✓	✓	✓	✓	✓	✓	✓
Cllr Julie Reid – Public Governor (Manchester)			✓	✓	✓	✓	✓
Bethan Rogers – Nominated Governor (Youth Forum)	x	✓	x	x	✓	✓	x
Sue Rowlands – Public Governor (Manchester)	✓	✓					
Suzanne Russell – Public Governor (Manchester)*	✓						
Carol Shacklady – Public Governor (Manchester)			✓	✓	✓	✓	x
Circle Steele – Nominated Governor (Manchester BME Network)	✓	✓	x	✓	x	✓	✓
Chris Templar – Public Governor (Eastern Cheshire)	✓	✓	✓	✓	✓	✓	✓
Geraldine Thompson – Lead & Staff Governor (Other Clinical)	✓	✓	✓	✓	✓	✓	✓
Christine Turner – Public Governor (Rest of England & Wales)	✓	✓	✓	✓	✓	✓	✓
Graham Watkins – Nominated Governor (Volunteer Services)*	x	x					
Lisa Watson – Public Governor (Manchester)	✓	x	✓	✓	✓	✓	x
Cllr James Wilson – Nominated Governor (Manchester City Council)	✓	✓	✓	✓	✓	✓	x

*Retired Governor

Key: Not Applicable	✓ - In Attendance	X - Non-Attendance

MFT's Constitution (February 2021), outlines the clear policy and fair process for the removal from the Council of Governors of any Governor who consistently and unjustifiably fails to attend/participate in the meetings of the Council of Governors and makes provision for the disclosure of interests and arrangements for the exclusion of a Governor, declaring any interest, from any discussion or consideration of the matter in respect of which an interest has been disclosed.

In keeping with statutory requirements, at a Council of Governors' Meeting each year, the Trust provides Governors with MFT's Annual Report and Accounts and any report of the auditors on them.

An Annual Report overview is also provided by Directors to Members at the Trust's Annual Members' Meeting which was also available to the public to view virtually on 22nd September 2020.

Group Executive Director Attendance at Council of Governor Meetings – 2020/21

Group Board of Directors	Council of Governors' Meetings (including Extraordinary Meetings)						
	2020					2021	
	15th May	20th July	10th Nov	24th Nov	9th Dec	10th Feb	30th March
John Amaechi – Group Non-Executive Director	x	x	x	x	x	x	
Professor Dame Susan Bailey – Group Non-Executive Director	✓	✓	✓	✓	x	✓	
Darren Banks - Group Director of Strategy							
Dr Ivan Benett – Group Non-Executive Director	✓	✓	x	✓	x	✓	
Peter Blythin – Group Executive Director of HR and Corporate Business	✓	✓		✓	✓	✓	✓
Julia Bridgewater - Group Chief Operating Officer	✓	✓		✓		✓	
Barry Clare – Group Deputy Chairman/Non-Executive Director	✓	✓	x	✓	x	✓	
Kathy Cowell – Group Chairman	✓	✓	✓	✓	✓	✓	
Sir Michael Deegan - Group Chief Executive							
Professor Jane Eddleston - Group Joint Medical Director							
Jenny Ehrhardt - Group Chief Finance Officer	✓	✓	✓	✓			
Professor Luke Georghiou – Group Non-Executive Director	x	✓	x	x	x	✓	
Nic Gower – Group Non-Executive Director	✓	✓	✓	x	x	✓	
Gill Heaton - Group Deputy Chief Executive		✓					
Professor Cheryl Lenney - Group Chief Nurse/DIPC	✓	✓		✓			
Chris McLoughlin – Group Senior Independent Director/Non-Executive Director	✓	✓	✓	✓	x	✓	
Miss Toli Onon - Group Joint Medical Director	✓						
Trevor Rees – Group Non-Executive Director	✓	✓	x	✓	✓	✓	

Key: Not Applicable	✓ - In Attendance	X - Non-Attendance

NHSE/I national & local directives sent to all NHS FTs dated 28th March 2020; 6th July 2020; 11th January 2021 and 26th January 2021 - in terms of FT Governors Meetings, MFT has gone over and above the following national guidance issued during the past 12 months which specified that "*Face-to-face meetings should be stopped at the current time - virtual meetings can be held for essential matters e.g. transaction decisions. FTs must ensure that governors are (i) informed of the reasons for stopping meetings and (ii) included in regular communications on response to Covid-19 e.g. via webinars/emails*"

Directors can be contacted via the Director of Corporate Services/Trust Secretary by e-mail Trust.Secretary@mft.nhs.uk or telephone 0161 276 4841.

Group Executive Director and Council of Governor interactions
The Trust Chairman is responsible for leadership of both the Board of Directors and the Council of Governors and ensures that the views of Governors and members are communicated to the Board. The interaction between the Board of Directors and the Council of Governors is seen primarily as a constructive partnership, seeking to work effectively together in their respective roles.

As set out in NHS England/Improvement's Code of Governance for NHS Foundation Trusts, there is a requirement for a mechanism to be in place to resolve disagreements between the Board of Directors and Council of Governors with MFT's Constitution (February 2021) outlining this process.

Governors in action

The Council of Governors has a number of statutory powers, including the appointment of the Group Chairman, Group Non-Executive Directors and the Trust's External Auditors. The Council of Governors discharges its statutory duties at its meeting of the Council of Governors which usually meets four times during a year in addition to participating in a fifth statutory event - the Annual Members' Meeting.

Council of Governors' (COG) Meetings
The Council of Governors and Members of the Trust's Board of Directors (Executive and Non-Executive Directors) usually participate in these meetings which are chaired by the Trust Chairman. Statutory requirements are performed with associated key presentations being received at meetings.

As outlined in the 'Governor Declaration of Interest' process, any Governor who has an interest in a matter to be considered by the Council of Governors shall declare such interest to the Council of Governors and:

- shall withdraw from the meeting and play no part in the relevant discussion or decision; and
- shall not vote on the issue (and if by inadvertence they do remain and vote, their vote shall not be counted).

The meeting is usually held in two parts: a public part (open to staff/public members in addition to members of the general public) and a private part which is open to Governors and designated Board members in order to approve (or not) key appointments.

During 2020/21, as a result of the ongoing Covid-19 pandemic and in keeping with associated NHSI/E's guidance, Governor 'face-to-face' meetings were specifically stipulated to be stood down from the end of March 2020. However, in order to keep Governors appraised of key Covid-19 issues, updates were provided to Governors at each Council of Governors 'Virtual' Meeting, which focused upon General Operational, Performance, Recovery, Quality & Safety, Workforce, Vaccinations, GM Framework, North West Nightingale Hospital, Infection Prevention & Control, Test & Trace and Research.

Alongside these key items, Governors also received statutory Trust documents/updates i.e. Annual Report/Accounts and External Auditor Report, Finances, Quality Report, Recovery Planning (usually Annual Planning) in addition to key information in relation to ongoing Trust developments including the North Manchester General Hospital Acquisition Process. In addition, throughout 2020/21, daily/regular Covid-19 Briefings were also issued to Governors. The Group Chairman also regularly held virtual 'video/teleconferencing' Governor Surgeries/Meetings/Sessions.

These new 'virtual' meeting arrangements enabled Governors to actively engage, have open and transparent discussions and seek appropriate assurances from the Group Chairman and Group Non-Executive Directors (and participating Group Executive Directors), alongside providing support to each other during the ongoing Covid-19 National Emergency.
A 'Chairman's Governor Briefing' was also regularly circulated to Governors alongside 'Special Governor Briefings' to provide additional key Trust information (in an electronic format) in order to keep Governors fully informed.

Council of Governors' Nominations Committee including review of the performance of the Group Non-Executive Directors
Each year, Governor feedback is invited via questionnaire and/or Lead Governor contact, in relation to the performance of the Group Chairman and Group Non-Executive Directors with resultant key findings being directly fed into their respective appraisal process.

As part of this process, a panel of Governors is also constituted each year (Council of Governors' Nominations Committee), which is supported by the Group Senior Independent Director, to receive detailed feedback from the above appraisal process and who report back to the full Council of Governors (formal Council of Governors' Meeting) their assurances/recommendations.

Other Council of Governors' Nominations Committees are also convened (as and when required) in relation to Group Chairman and Group Non-Executive Directors appointments, terms of office, and remuneration, alongside External Auditor appointments and again report back to the full Council of Governors their assurances/recommendations when seeking statutory approvals at formal Council of Governors' Meetings. More information is available on page 94.

New Governor induction session with the Trust's Chairman
All new Governors are invited to participate in an induction meeting with the Group Chairman (held virtually via videoconferencing in 2020/21). Key information is provided about the NHS/Trust Financial Landscape, its organisational structure and associated governance and support arrangements plus the Governor Meeting Framework.

Induction arrangements also include providing an overview of the Trust's Risk & Assurance process and Patient Safety, the Trust's Performance and Forward Planning processes, and Vision & Values. Other ongoing major health programmes e.g. Single Hospital Services – North Manchester General Hospital Acquisition Process were also highlighted. In addition, this session provides a networking opportunity between new Governors.

New Governor role training session
All new Governors are invited to participate a training session which is facilitated by an external training consultant (and was delivered virtually via videoconferencing in 2020/21). This provides in-depth information about the role of an NHS Governor alongside MFT governance arrangements plus the wider NHS landscape.

Governor training & development
In order to support Governors with the new 'virtual' way of working, several training sessions were held (via videoconferencing facilities in 2020/21) to help Governors to become more familiar with participating in meetings via MS Teams (videoconferencing).

Summer and Winter Governor Development Sessions were also held virtually during 2020/21 which, alongside key Covid-19 General and Workforce Updates, also included key information in relation to the Trust's forward planning process, an annual report and accounts overview including associated Auditor Reports, the Trust's Patient Letter Workshop in addition to key updates being provided in relation to the North Manchester General Hospital Acquisition Process incorporating overviews of associated business cases and Capital Estate Development Plans/Programme.

3.3 Staff report

WORKFORCE DEMOGRAPHICS (subject to audit)	31 March 2021		31 March 2020	
	Headcount	% of Total Headcount	Headcount	% of Total Headcount
Staff Group				
Additional Professional Scientific and Technical	1,196	4.8%	1,165	4.9%
Additional Clinical Services	4,448	17.8%	4,240	17.8%
Administrative and Clerical	5,581	22.4%	5,282	22.2%
Allied Health Professionals	1,547	6.2%	1,530	6.4%
Estates and Ancillary*	1,058	4.2%	1,038	4.4%
Healthcare Scientists	860	3.5%	852	3.6%
Medical and Dental	2,160	8.7%	2,057	8.6%
Nursing and Midwifery Registered	7,940	31.9%	7,609	32.0%
Students	127	0.5%	28	0.1%
Grand Total	**24,917**	**100%**	**23,801**	**100%**
Full Time/Part Time				
Full Time	17,163	68.9%	16,002	67.2%
Part Time	7,754	31.1%	7,799	32.8%
Gender				
Female	19,846	79.6%	18,993	79.8%
Male	5,071	20.4%	4,808	20.2%
Disabled				
No	18,133	72.8%	16,907	71.0%
Not recorded	5,994	24.0%	6,187	26.0%
Yes	790	3.2%	707	3.0%
Ethnic Group				
BME	5,242	21.0%	4,777	20.1%
Not recorded	2,199	8.8%	2,029	8.5%
White	17,476	70.2%	16,995	71.4%
Age				
16-20	113	0.5%	124	0.5%
21-30	5,647	22.7%	5,321	22.4%
31-40	6,691	26.8%	6,168	25.9%
41-50	5,762	23.1%	5,661	23.8%
51-60	5,127	20.6%	5,059	21.3%
61+	1,577	6.3%	1,468	6.2%

Staff Turnover	1st April 2020 to 31st March 2021	1st April 2019 to 31st March 2020
	10%	12%

Staff Sickness Absence	1st April 2020 to 31st March 2021	1st April 2019 to 31st March 2020
Sickness %	4.9%	5.2%
Average Working Days lost (per wte)	17.5	18.2

Senior Staff Gender Breakdown	Male	Female
Executive Directors	3	6
Non-Executive Directors	6	3

Staff costs

Full year 2020/21 (audited)

	Total	Permanent	Other
Trust	£000	£000	£000
Salaries and wages	928,812	928,812	0
Social Security costs	83,516	83,516	0
Apprenticeship Levy	4,023	4,023	0
Pension cost - defined contribution plans (employer's contributions to NHS pensions)	100,401	100,401	0
Pension cost – employer contribution paid by NHSE on provider's behalf (6.3%)	43,929	43,929	0
Pension cost - other	261	261	0
Temporary staff - external bank	60,262	0	60,262
Temporary staff - agency/contract staff	16,481	0	16,481
Total Trust staff costs	**1,237,690**	**1,160,947**	**76,743**
NHS charitable funds staff	1,497	1,497	
Total Trust and Group Staff costs	**1,239,187**	**1,162,444**	**76,743**

Full year 2019/20 (audited)

	Total	Permanent	Other
Trust	£000	£000	£000
Salaries and wages	805,982	805,985	0
Social Security costs	74,470	74,470	0
Apprenticeship Levy	3,616	3,616	0
Pension cost - defined contribution plans (employer's contributions to NHS pensions)	90,937	90,937	0
Pension cost - other	204	204	0

Temporary staff - external bank	55,910	0	55,910
Temporary staff - agency/contract staff	19,241	0	19,241
Total Trust staff costs	**1,090,028**	**1,014,877**	**75,151**
NHS charitable funds staff	1,581	1,581	0
Total Trust and Group Staff costs	**1,091,609**	**1,016,458**	**75,151**

NHS Nightingale Hospital North West
The Trust played a key role in the establishment of the NHS Nightingale Hospital North West in Manchester. (see pages 29-31 for more information). It was staffed by medical consultants, doctors, nursing staff, physiotherapists, occupational therapists, speech and language therapists, pharmacists and other clinical workers, as well as a range of non-clinical staff. Many of these staff were seconded from MFT.

Equality and Diversity
In 2019 the Trust published *Diversity Matters*, a four-year equality, diversity and inclusion strategy for 2019-2023. *Diversity Matters* outlines the Trust's ambition to be the best place for patient quality and experience and the best place to work.

*Diversity Matters i*s central to the Trust achieving its vision of 'improving health and well-being of our diverse population'. It provides a framework for action focusing on three key aims which are underpinned by a set of objectives that will deliver the strategy over the four-year time period. Work continued throughout 2020/21 to achieve these objectives.

The Covid-19 outbreak meant that a focused approach to supporting our diverse workforce was required throughout the pandemic. Some of the work undertaken to support staff by protected characteristics included:

- A self-assessment to enable staff to consider their risk factors around Covid-19 and enable conversations with managers building on the risk assessment approach that was already in place for supporting other vulnerable groups including Black, Asian and Minority Ethnic (BAME) staff.
- A Covid-19 Pandemic Black, Asian and Minority Ethnic Engagement Group was established with staff from across the Trust, in different roles and bands, to inform and shape the support to staff during the pandemic. This led to forming two further engagement groups, a Disabled staff and a Lesbian, Gay, Bi-sexual, Trans and Q (LGBTQ) staff engagement group, to understand the issues faced by diverse staff groups and so put in place approaches to safeguard their health and wellbeing. The groups ensure that workforce initiatives aimed at protecting and supporting staff during Covid-19 are informed by and co-produced with staff.
- Several resources to inform and engage staff around the pandemic were shared including vlogs, posters and resources to encourage uptake of self-assessments and risk assessments.
- A Covid-19 Staff Survey was circulated to further understand staff experience during the pandemic. 3,122 (13%) staff completed the survey. The results of the survey informed the communications campaign that was co-produced with the Covid-19 Pandemic Black, Asian and Minority Ethnic Engagement Group.

Some examples of other work to deliver equality, diversity and inclusion for staff during this time include:

- The launch of the Hate Crime Reporting Programme and Hate Crime Reporting Procedures, supported by training on recognising hate crime and what to do if staff witness hate crime.
- Forming a partnership with Manchester Health and Care Commissioning and Manchester City Council to develop a system wide approach to reasonable adjustment.
- The development and delivery of the *Removing the Barriers* Programme to increase the ethnicity diversity of the workforce at bands 8a and above.
- Black History Month celebrations included the launch of the MFT Black, Asian and Minority Ethnic Staff Network, the development of the Making Histories e-book and resource pack, a series of vlogs showcasing the contributions of staff and a series of virtual talks and workshops delivered by community partners and experts.
- Celebrating the first virtual Manchester Pride, South Asian Heritage Month and Disability History Month.

Some examples of work undertaken to achieve inclusive leadership include:

- The Trust committed to ensuring diverse representation in its Covid-19 pandemic command and control governance structure. 70 Black, Asian or Minority Ethnic staff came forward to contribute to the leadership of the Trust in managing the pandemic response, enabling the Trust to benefit from their skills and experiences.
- The Trust partnered with a well-respected external consultancy to deliver inclusive leadership training to senior leaders from across the organisation.
- Continued partnership as part of the North West Equality, Diversity and Inclusion Leads' Network, co-chaired by the Trust's Assistant Director of Equality, Diversity and Inclusion. The Trust was instrumental in championing the Better Together initiative to create capacity within the North West NHS Equality and Diversity community. The Trust led on an initiative to produce a compendium of key performance indicators and guidance on using them. The compendium brings together NHS workforce equality reporting requirements into one place.

Communicating and consulting with our staff

Ensuring effective employee relations are maintained remains a key objective for MFT. We have a Partnership Agreement which outlines the framework for consultation and collective bargaining, to assist our managers, staff and Trade Union representatives to work collaboratively and improve working relationships. Core functions include:

- facilitating the Joint Negotiating and Consultation Committees for medical and non-medical staff groups.
- developing workforce policies and procedures based on best practice.
- providing assistance in employee relations matters, e.g. disciplinary, grievance and dignity at work processes.

Providing information to employees on matters of concern to them as employees

We have workforce policies established to support staff in raising a matter of concern as an individual or as a collective group. Information is made available to staff using the Trust's intranet. Key communications to employees are shared through our MFT iNews bulletin, which is delivered to all email addresses on a weekly basis.

The Group Chief Executive also holds staff engagement sessions each year, and Hospital/Managed Clinical Services/LCO Chief Executives share information through regular blogs and other local communication channels.

Several new policies were introduced during the year to support our staff in various ways. These included the Supporting Staff in Relation to Domestic Abuse policy, the Buying and Selling of Annual Leave policy, the Mandatory Training Policy and a Remote and Homeworking Policy.

Looking after our staff (occupational health and health and safety)

The Trust has an active Employee Health & Wellbeing (EHW) Service that offers a wider range of support for staff including:

- Management referral assessments to support attendance and fitness for work.
- Advice on rehabilitation and adjustments at work.
- Immunisation and vaccination screening programmes.
- Clinical management of staff who sustain accidental inoculation and contamination injuries.
- Workplace risk assessments and health surveillance programmes.
- Rapid access interventions including counselling, psychological therapies and physiotherapy.
- Annual influenza vaccine campaign for all staff. The 2020/21 programme ensured that a total of 16,987 staff were vaccinated of which 81% (12,867 staff) were frontline, compared with 79.4% in 2019/20.
- Health and wellbeing initiatives targeting and raising awareness on specific health issues.
- Covid-19 specific programmes relating to staff testing, vaccination and risk assessment advice for managers and staff.
- A centralised system was developed to provide first day call back to staff reporting absence. This freed capacity for line managers to ensure that staff absent from work received a quality call back and support when reporting sickness. A newly deployed team, the Attendance Team, working collaboratively with Employee Health and Wellbeing, was set up to oversee this work.

The EHW Psychological Wellbeing Team provide support to individuals and teams on managing under pressure, building emotional resilience and maintaining healthy and effective team working. The team also deliver a range of services to support teams and individuals following work related critical incidents and trauma.

An Employee Assistance Programme - EAP (including Counselling Services) - is in place providing all staff with access to a range of services which are available 24 hours a day, seven days a week. The service is independent and confidential, providing advice and support on a range of issues and resources via telephone and an Online Health Portal.

The management of health and safety is an integral part of the overall management structure of the Trust to ensure, so far as is reasonably practicable, the health and safety of staff and others whilst working at or visiting MFT.

There are health and safety policies and guidelines relating to key areas of risk, and local processes for implementation of control measures to mitigate risks to health and safety.

Staff have been supported throughout the Covid-19 pandemic with the completion of local service-based risk assessments, individual employee risk assessments and regular updates via daily Covid-19 briefings.

Leadership development activity
Due to the Covid-19 pandemic, our MFT Academy leadership development offer was paused and reviewed in line with the immediate need to support managers who have quickly had to adapt to new ways of remote and multi-site working. This has included developing the key programmes for the Trust, Engaging Remotely, Leading Remotely, Effective Appraisals.

Our MFT Academy supports those taking on, or aspiring to, new management roles with an Institute of Leadership and Management recognised three-day programme giving an overview of management skills. This is followed by a suite of optional modules for staff members to design their own development programme based on their own needs and aspirations. The range of modules has been converted to virtual delivery and will be launched when the organisation is able to release front line staff to attend programmes. In the interim we have delivered a two-hour Introduction to Management module aimed at staff who have been promoted into a first line management role.

The Trust continues to be Greater Manchester host for the NHS Leadership Academy Mary Seacole Programme for first line leadership, which combines online learning, forums, 360° feedback and three workshops for a comprehensive overview of leadership and management. The programme is accessed by a range of professionals across the Greater Manchester region. The programme was paused by the Leadership Academy for the majority of 2020 due to Covid-19 and resumed from February 2021.

Drop in sessions were provided for managers on ‘How to have a Good Wellbeing Conversation’ and this offer is being expanded through a collaborative approach to create a package of modules incorporating Effective Appraisal, How to Have a Good Wellbeing Conversation and REACT training (line manager mental health conversations.)

Alongside other initiatives led on by the Employee Health and Wellbeing team, intranet pages have been developed for the ‘Caring for You as You Care for Others’ campaign, across eight themes of wellbeing – Mind, Body, Senses, Practical, Fulfilment, Community, People & Spirit - enabling simple user-friendly access to wellbeing resources, external websites, apps, activities and support groups.

Staff were supported at the NHS Nightingale Hospital North West through receiving induction days based around We are Team Nightingale and what it means to be part of this unique, multi- disciplinary team that was rapidly brought together. When de-commissioning the NHS Nightingale Hospital North West Hospital, an Interview Skills resource package was developed for those staff whose employment contract had come to an end. This included CV templates, interview questions, handouts, supported by a screen cast explaining the interview process and how to use the resources.

Working closely with the national NHS Graduate Scheme, we host and develop national graduates every year. We’re also innovating, with our unique award-winning Management Graduate Development Scheme.

This fast-track scheme leads to a master’s qualification and is designed to equip focused and forward-thinking graduates with the knowledge, skills, behaviours, experience and qualifications they need to be a future leader.

Our diverse cohort of 16 individuals completed the scheme in autumn 2020 and we are proud that 15 of the alumni have been employed across MFT and NMGH and the 16th person employed at NHS England.

They showed great resilience and adaptability over a challenging year, responding and supporting services where they were most needed, managing projects and teams often in challenging times. We are proud of the contributions that our scheme alumni are making to our services as they flourish working alongside our existing talent to manage and develop our services.

Recognising staff excellence
The MFT Excellence Awards is our annual Trust staff recognition scheme, showcasing the range of incredible staff accomplishments under categories such as Unsung Hero, Clinical Team of the Year, Brilliant Ideas, Equality, Diversity and Inclusion Champion and Patient Choice. The annual MFT Excellence Awards ceremony was originally postponed from March until September and then cancelled due to the coronavirus outbreak. An MFT e-Book was developed to showcase the MFT Excellence Award Winners.

However, local recognition awards, such as Employee of the Month, continued to take place within Hospitals as did the Manchester Local Care Organisation Employee Stars awards and Nursing & Midwifery celebrated their Nurse of the Year and Health Care Worker of the Year as part of their 2020: Year of the Nurse and Midwife programme.

The Trust regularly used other channels such as the daily and weekly electronic newsletters and poster campaigns to continually recognise staff achievements and thank them for their efforts during such a difficult year

Supporting staff to 'Speak Up'
Freedom to Speak Up is a national programme that supports staff, student, Governors and patients to raise concerns. Effective speaking up arrangements help to protect patients and improve the working experience of NHS staff.

In 2020/2021 the Freedom to Speak Up Guardian and Champions supported 77 colleagues to raise concerns. We have continued to build our Freedom to Speak Up Champions programme and now have over 30 active champions across the Trust supporting the MFT Freedom to Speak Up Guardian.

In 2020/2021 we increased communications across the Trust about Freedom to Speak Up, including a weekly 'Meet the Champions' article to introduce our Freedom to Speak Up Champions to the workforce and break down barriers around speaking up.

In 2020/2021 MFT's Freedom to Speak Up Programme ensured that staff at NHS Nightingale Hospital North West had a safe route for speaking up. A successful cross organisational model was created in April 2020 with a Lead Champion for the site reporting into MFT's Freedom to Speak Up Guardian.

In April 2021 we look forward to welcoming the North Manchester General Hospital Freedom to Speak Up Team to the Trust. We have been working with the North Manchester Team throughout 2020/2021 to ensure a safe transition and plan to do specific communications during transition to ensure staff always know how to raise a concern.

In 2021 we will also be focusing on increasing engagement with groups that may experience more barriers in speaking up, including junior doctors, students, ancillary staff, and BAME staff.

Preventing fraud and corruption
We are committed to reducing the level of fraud, bribery and corruption both within MFT and the wider NHS and aim to eliminate all such activity as far as possible. We are required to comply with the NHS Counter Fraud Authority Standards for Providers and have an Anti-Fraud, Bribery and Corruption Policy in place which encourages anyone having reasonable suspicions of fraud, bribery or corruption to report them.

Our agreed work programme to combat fraud, bribery and corruption was followed, in accordance with the agreed Anti-Fraud Work Plan and included a range of awareness exercises; local and national proactive exercises; reviews of policies and procedures; and conducting investigations where suspected or apparent fraudulent activity has been identified and seeking financial redress where appropriate.

Consultancy and other costs
During the year, MFT spent £6.96m on consultancy (£2.95m in the year to 31st March 2020).

Staff exit packages
For the period 1st April 2020 to 31st March 2021 there were two compulsory redundancies made. The reason the compulsory redundancies are so low is chiefly due to the size of MFT, and the fact that we are able to offer individuals suitable alternative employment within the organisation.

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	0	0
£10,000 - £25,000	2	0	0
£25,001 - £50,000	0	0	0
£50,001 - £100,000	0	0	0
Total number of exit packages by type	0	0	
Total resource cost	£28,393	0	

Exit packages: non-compulsory departure payments

	Agreements Number	Total Value of Agreements
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0

Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	0	47
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval	0	0
Total	0	0
Of which: Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	0	0

Off payroll engagements

MFT seeks assurance about the tax arrangements of individuals engaged off-payroll and the information is recoded centrally. No individuals with significant financial responsibility will be engaged off-payroll.

The Trust has a policy in this area that reflects HMRC IR35 Guidance along with best practice guidance from the Healthcare Financial Management Association.

MFT applies rigorous controls to all aspects of discretionary spend, including consultancy support that would potentially be captured as 'off-payroll.'

All proposed engagements are reviewed and IR 35 compliance confirmed prior to commencement.

The following tables apply to all off-payroll appointments engaged at any point during the year ended 31st March 2021 and earning more than £245 per day

Highly-paid off-payroll worker engagements as at 31st March 2021

No. of existing arrangements as of 31st March 2021	0
Of which:	
Number that have existed for less than one year at time of reporting	0
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0

All highly-paid off-payroll workers engaged at any point during the year ended 31st March 2021

Number of off-payroll workers engaged during the year ended 31 March 2021	0
Of which:	
Not subject to off-payroll legislation	0

Subject to off-payroll legislation and determined as in-scope of IR35	0
Subject to off-payroll legislation and determined as in-scope of IR35	0
Number of engagements reassessed for consistency/assurance purposes during the year	31
Of which: number of engagements that saw a change to IR35 status following review	0

Staff engagement - our approach
The annual National Staff Survey is the Trust's primary method by which organisational culture is measured. This includes how well led staff are and whether they feel sufficiently supported to enable them to fulfil their potential. This can be best described as staff experience.

Our overall aim is to develop a compassionate, inclusive and high-quality care culture that is underpinned by exemplary leadership and ensures the best outcomes for people, improving the health of our local population.
The MFT approach to staff engagement combines Group level strategy and activities, with hospitals and services leading on the development of staff engagement locally. Staff provide feedback on their experiences through their local team structure and through surveys.

Since 2017, the annual staff survey has been complemented by the use regular pulse surveys. The response to the Covid-19 Pandemic and the suspension of the Staff Friends and Family Test (SFFT) early in 2020 led to a review of our approach to pulse surveys. In June 2020 we ran a Trust-wide Covid-19 pulse survey, which focused on questions about support for staff during the pandemic. This enabled us to identify the types of support that had worked well and needed to continue and be further developed, such as communication, remote working, and health and wellbeing support.

Following the 2019 staff survey, for 2020/21 priority areas for improvement focused on the key themes where the Trust had either deteriorated since 2018 or where results were below our sector benchmark group, and as agreed with the Group Board:

- Equality, Diversity and Inclusion
- Quality of Care
- Teamworking
- Safe Environment – Bullying and Harassment
- Safe Environment – Violence.

NHS Staff Survey 2020
The NHS staff survey is conducted annually. For the 2020 survey, the results from questions were grouped to give scores under ten indicators (referred to as Key Themes). These indicator scores are based on a score out of 10 for certain questions, with the indicator scores being the average of those.

One previously used Key Theme was removed from the 2020 survey – Quality of Appraisals. This was to accommodate questions specific to the Covid-19 Pandemic.

The response rate to the 2020 survey amongst Trust staff was 33%, unchanged from 2019.

Summary of performance
The scores for each indicator together with that of our survey benchmarking group are presented below. Until the 2019 survey, our benchmarking group was 'combined acute and community trusts'.

For the 2020 survey, this changed to 'all acute and combined acute and community trusts' and historical comparisons with our benchmarking group have been adjusted for this in the table below. The benchmarking is taken from reports supplied by the Survey Co-ordination Centre (SCC). MFT Key Themes scores are within 0.1 (rounded) of the sector average for all Key Themes:

	2020/21		**2019/20**		**2018/19**	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Equality, diversity and inclusion	9.0**	9.1	9.1	9.1	9.1	9.1
Health and wellbeing	6.1*	6.1	6.0	5.9	6.0	5.9
Immediate managers	6.7**	6.8	6.9	6.9	6.8	6.8
Morale	6.1**	6.2	6.2	6.1	6.2	6.1
Quality of appraisals	Not included	Not included	5.5	5.5	5.3	5.4
Quality of care	7.5	7.5	7.4	7.4	7.5	7.4
Safe environment – bullying and harassment	8.2	8.1	8.2	8.0	8.3	8.0
Safe environment – violence	9.6*	9.5	9.6	9.4	9.6	9.4
Safety culture	6.8	6.8	6.8	6.7	6.8	6.7
Staff engagement	7.0**	7.0	7.1	7.0	7.1	7.0
Team-working	6.5**	6.5	6.6.	6.6	6.7	6.6

* Reported by the SCC as a statistically significant improvement on 2019 score
**Reported by the SCC as a statistically significant decline on 2019 score

Summary of performance against priority areas identified following the 2019 staff survey

- Equality, Diversity and Inclusion
  Our score for this Key Theme reduced by 0.1 to 9.0, against a sector benchmark score of 9.1.

- Quality of Care
  Our score improved 0.1 to 7.5, in line with the sector benchmark score and trend.

- Teamworking
  Our score reduced by 0.1 to 6.5, which mirrored the sector benchmark and trend.

- Safe Environment – Bullying and Harassment
  Our score remained unchanged at 8.2 compared to a sector benchmark score of 8.1.

- Safe Environment – Violence
  Our rounded score was unchanged at 9.6, although there was a statistically significant improvement in this score which is not revealed due to rounding. The sector benchmark score was 9.5.

Future priorities and targets
Staff experience of working during the Covid-19 pandemic and the related pressures will have had a significant impact on their responses to the 2020 staff survey. Results indicate that the experience of those staff who were redeployed during the pandemic, or working on a dedicated Covid-19 ward, generally led to lower scores in the staff survey across the key themes. Therefore, our priorities for 2021/22 will focus on supporting staff to recover from the pandemic, providing them with the opportunity to pause, rest and restart.

Areas for improvement in 2021/22 are those where Trust performance is below that of our benchmark group and/or where performance has declined since the 2019 survey. Key priorities are therefore the survey themes of Equality, Diversity and Inclusion, Immediate Managers and Morale. We will also focus on Staff Engagement and Teamworking, as these scores have declined since 2019, though remain at the sector benchmark average. Our overall aim remains to be among the best performing trusts in our sector benchmarking group.

The MFT People Plan, to be published in spring 2021, will be closely aligned to the themes and priorities of the NHS People Plan, and incorporates all the staff survey priority areas identified above. Hospital, Managed Clinical Services, Local Care Organisation and Corporate specific actions are outlined in the Annual People Plans for each and are aligned to the Group People Plan.

Feedback on staff experience and staff engagement will continue to be measured though the use of pulse surveys and through the Staff Friends and Family Test questions, when this resumes. We are also introducing a new digital platform that will enable us to recognise and respond to staff feedback on their experience of working at MFT much more quickly than before and will be available 24/7. This will be used to support staff recognition, ideas and suggestions, as well as to deliver pulse surveys.

3.4 NHS FT Code of Governance disclosures

Manchester University NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012. The MFT Board of Directors and Council of Governors are committed to continuing to operate according to the highest corporate governance standards.

In order to do this, the **Board of Directors**:

- Meets formally on a bi-monthly basis in order to discharge its duties effectively. Systems and processes are maintained to measure and monitor the Trust's effectiveness, efficiency and economy as well as the quality of its healthcare delivery.
- Regularly reviews the performance of the Trust against regulatory and contractual obligations and approved plans and objectives. Relevant metrics, measures and accountabilities have been developed in order to assess progress and delivery of performance.
- Has a balance of skills, independence and completeness that is appropriate to the requirements of the Trust.

All Directors have a responsibility to constructively challenge the decisions of the Board. Group Non-Executive Directors (NEDs) scrutinise the performance of the Group Executive management in meeting agreed goals and objectives and monitor the reporting of performance.

Where a Board member does not agree to a course of action it would be minuted. Should this occur, the Group Chairman would then hold a meeting with the Group Non-Executive Directors with the Executive Directors present. If the concerns could not be resolved, this would be noted in the Board minutes.

Group NEDs are appointed for a term of three years by the MFT Council of Governors. The Council of Governors can appoint or remove the Group Chairman or the Group NEDs at a general meeting. Removal of the Group Chairman or another Group Non-Executive Director requires the approval of three-quarters of the members of the Council of Governors.

The Group Chairman ensures that the Board of Directors and the Council of Governors work together effectively and that Directors and Governors receive accurate, timely and clear information that is appropriate for their respective duties.

The **Council of Governors:**

- Represents the interests of the Trust's members and partner organisations in the local health economy in the governance of the Trust.
- Acts in the best interests of the Trust and adheres to its values and code of conduct.
- Holds the Board of Directors to account for the performance of the Trust and receives appropriate assurance and risk reports on a regular basis.

Our Governors are consulted on the development of forward plans for the Trust and any significant changes to the delivery of the Trust's business plan.

The Council of Governors meets on a regular basis (and 'virtually' throughout the 2020/21 Covid-19 National Emergency) so that it can discharge its duties, and the Governors have elected a new Lead Governor during 2020/21 (Geraldine Thompson). The Lead Governor's main function is to act as a point of contact with NHSI, our independent regulator.

The Directors and Governors continually update their skills, knowledge and familiarity with the Trust and its obligations, to fulfill their role on various Boards and Committees.

Our MFT Constitution (reviewed and updated in February 2021 and available at https://mft.nhs.uk/the-trust/the-board/mft-constitution/), was agreed and adopted by the Council of Governors. It outlines the clear policy and fair process for the removal from the Council of Governors of any Governor who consistently and unjustifiably fails to attend the meetings of the Council of Governors or has an actual or potential conflict of interest which prevents the proper exercise of their duties.

The performance review process of the Group Chairman and Group NEDs involves the Governors. The Senior Independent Director supports the Governors through the evaluation of the Group Chairman. Each Group Executive Director's performance is reviewed by the Group Chief Executive who, in turn, is reviewed by the Group Chairman. The Group Chairman also holds regular meetings (mostly 'virtual during 2020/21) with Group NEDs without the Executives present.

Independent professional advice is accessible to the Group NEDs and Trust Board Secretary via the appointed independent External Auditors, and a Senior Associate at a local firm of solicitors. All Board meetings and Board Sub-Committee meetings receive sufficient resources and support to undertake their duties.

The Group Chief Executive ensures that the Board of Directors and the Council of Governors of MFT act in accordance with the requirements of propriety or regularity. If the Board of Directors, Council of Governors or the Group Chairman contemplated a course of action involving a transaction which the Group Chief Executive considered infringed these requirements, he would follow the procedures set by NHSI for advising the Board and Council for recording and submitting objections to decisions. During 2020/21 there have been no occasions on which it has been necessary to apply the NHSI procedure.

MFT staff are also required to act in accordance with NHS standards and accepted standards of behaviour in public life. The Trust ensures compliance with the Fit and Proper Person (FPP) requirement for the Board of Directors. All existing Directors completed a self-declaration and this exercise is repeated annually. All new appointments are also required to complete the self-declaration and the full requirements of the FPP test have been integrated into the pre-employment checking process.

The Trust holds appropriate insurance to cover the risk of legal action against its Directors in their roles as directors and as trustees of the MFT Charity.

Relationship with stakeholders and duty to co-operate
MFT has well-developed mechanisms for engagement with third party bodies at all levels across the organisation. These include regular arrangements such as standing meetings, and time-limited arrangements set up for a specific purpose. Greater Manchester (GM) Devolution has continued to change the landscape significantly and a well-established set of governance arrangements ensure co-operation and close working across the whole of the GM health and social care system.

The Board ensures that effective mechanisms are in place and that collaborative and productive relationships are maintained with stakeholders through:

- Direct involvement – e.g. attendance at Board–to–Board and Team-to-Team meetings, attendance at Partnership Board meetings.
- Chair involvement – e.g. attendance at Manchester Health & Wellbeing Board.
- Feedback – e.g. from the Council of Governors and in particular Nominated Governors.
- Board updates on Strategic Development.
- Board Assurance report - delivery of key priorities (many of which rely on good working relationships with partners).

The following information describes some of the arrangements in place with our key stakeholders.

Commissioners
Effective mechanisms to agree and manage fair and balanced contractual relationships include:

- A range of executive team–to–executive team and board–to–board meetings with key commissioners:
    - Manchester Health and Care Commissioning.
    - The Christie.
- A dedicated Contracts and Income Team that liaises between the Trust, our hospitals and commissioners.

Other providers
The GM Provider Federation Board, which is part of the GM Devolution arrangements, facilitates joint and joined-up working across all GM providers. In addition to this MFT has established partnership boards with other providers, such as Alder Hey NHS Foundation Trust, which have representation from Executive and Non-Executive Directors.

City of Manchester (NHS and Manchester City Council)
Collaborative working arrangements exist across the City Council, the providers and the CCGs. These include:

- Health and Wellbeing Board - Manchester Health and Wellbeing Board brings together representatives from Manchester City Council, acute Trusts, CCGs, the mental health Trust, Public Health and Healthwatch.

- Health and Wellbeing Executive – as above.
- Manchester Provider Board - brings together acute Trusts, GP federations, pharmacy, mental health Trust, Manchester City Council and the voluntary sector, all working together on the development of out-of-hospital services.

Academic institutions

The Trust has a strong relationship with its key academic partner, The University of Manchester (UoM), and there are joint committees that support activities such as clinical appraisals, research and education.

MFT has function links with Manchester Metropolitan University and Salford University to support training of nurses, allied health professionals (AHPs) and scientists, and some specific research collaborations.

The Trust is a founder member of the Manchester Academic Health Science Centre, which brings together research-active hospitals and UoM to deliver improvements in healthcare, driven from a platform of research excellence.

Health Innovation Manchester, whose remit is to drive forward the adoption of innovations to improve healthcare, is located in Citylabs on our Oxford Road campus. It was established in 2015/16 to create a compelling shop window for external stakeholders and potential customers to access the Greater Manchester NHS ecosystem and MFT has representation on the governance board.

Industry

The Trust has a range of industry interfaces that encompass both large corporates and SMEs. These collaborations and partnerships enable us to acquire new equipment, facilities and services using a shared risk approach.

Our approach to selecting and securing our industry partners is to choose the best partner to help us to further improve our delivery of care and business efficiencies. For example the Trust has a 10-year relationship with Bruntwood to provide a range of property and estates related services. We also have a long term agreement with Roche to provide laboratory equipment (diagnostics) and Fresenius for renal services.

The Trust and Manchester Science Partnerships are working together to develop the next phase of the Citylabs development on the former Saint Mary's site. The £60m, 220,000 sq ft expansion is due to complete at the end of 2020. It will house SMEs and large companies which are developing new products and services relevant to our core services, including laboratory diagnostics, genomics, digital health and clinical trials. A major collaboration with global diagnostics firm QIAGEN will see the company making Citylabs its base, bringing jobs and investment to Manchester.

Education
MFT continues to be the lead sponsor of Manchester Health Academy in Wythenshawe. The MFT Chairman Mrs Kathy Cowell also chairs the Academy's governing body.

The links with MFT help to promote further career opportunities for students. They benefit from access to a comprehensive range of NHS expert practitioners and their working environment. As one of Manchester's biggest employers, MFT is committed to improving the life chances for the students in the Academy. Students not only have the opportunity to gain insights into the career opportunities in the medical, clinical, nursing and technical health areas, but also to access the diverse support trades and services essential to the life of MFT. The focus of health runs through all aspects of student life and learning at the Academy.

3.5 NHSI Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- Quality of care.
- Finance and use of resources.
- Operational performance.
- Strategic change.
- Leadership and improvement capability (well-led).

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

Segmentation
The Trust has been placed in segment 2 by NHS England. This segment is the Trust's position as at May 2021 (and is unchanged from that as at 31st March 2020). Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: https://www.england.nhs.uk/financial-accounting-and-reporting/single-oversight-framework-segmentation/

3.6 Statement of Accounting Officer's responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Manchester University NHS Foundation Trust

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Manchester University NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Manchester University NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* (and the *Department of Health and Social Care Group Accounting Manual*) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the Manchester University NHS Foundation Trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the *NHS Foundation Trust Accounting Officer Memorandum*.

Sir Michael Deegan CBE
Group Chief Executive
9th June 2021

3.7 Annual Governance Statement

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Manchester University NHS Foundation Trust's (MFT) policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me by the MFT Constitution (February 2021). I am also responsible for ensuring that MFT is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Foundation Trust Accounting Officer Memorandum.*

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to:

- Identify and prioritise the risks to the achievement of the policies, aims and objectives of the Manchester University NHS Foundation Trust (MFT).
- Evaluate the likelihood of those risks being realised and the impact should they be realised and
- Manage them efficiently, effectively and economically.

It is acknowledged at the outset that a system of internal control has been in place in Manchester University NHS Foundation Trust for the year ended 31st March 2021 and up to the date of approval of the annual report and accounts. At the start of April 2020, MFT was rapidly moving into the escalation phase of the pandemic, continuing work that had begun in February and March.

A robust command and control (EPRR) framework was in place to provide the effective leadership and fast decision-making needed as the pressure on MFT and the wider Greater Manchester health economy, particularly demand on critical care, intensified (with the MFT Group Chief Operating Officer undertaking the role of 'MFT Gold Commander'). The principles that underpinned every aspect of MFT's response were that it must be 'Safe', 'Effective', 'Caring', 'Responsive' to people's needs and 'Well Led'.

Capacity to handle risk

Existing governance arrangements at Group Board and Sub-Board level continued to be refined and adapted throughout 2020/21 and there was very clear evidence of robust lines of accountabilities and responsibilities throughout the organisation ('The Golden Thread') despite the additional challenges and pressures presented by the ongoing pandemic. The Trust leadership continues to play a key role in implementing and monitoring the risk management process and the chart on page 85 shows the MFT governance structure.

The Group Chief Executive chairs the **Group Risk Oversight Committee** and actual risks scoring 15 or above are reported to the Committee. Risk reports are received from each responsible Director, Hospital/Managed Clinical Service (MCS)/Local Care Organisation (LCO) Chief Executive and Group Executive Director, with details of the controls in place and actions planned and completed against which assessment is made by the Committee.

During Q3 and Q4 2020/21, an independent Internal Audit (review) was commissioned of the risk management processes and oversight arrangements at local Hospital/MCS levels throughout the organisation. The auditors found there to be clear risk management processes and escalations in place within each MFT Hospital/MCS/LCO which started with a clear Group-wide Risk Management Strategy and Policy.

It was also confirmed that this process extended through to the identification and monitoring of risks within Hospitals/MCS and culminated in regular reports of overall hospital risks to the Operational Risk Management Group and the reporting of highly rated risks (over 15) to the Group Risk Management Committee.

The IA review concluded that the Hospital and MCS risk management arrangements provided the organisation with *'significant assurance with minor improvement opportunities'.*

The Group Risk Oversight Committee provides the Board of Directors with an assurance that risks are well managed throughout the Group with the appropriate mitigation and plans in place. Reports demonstrate that the risk management reporting process includes all aspects of risk, clinical and non-clinical. This committee continued to meet throughout the pandemic.

The **Audit Committee** monitors assurance processes and seeks assurance across all risks in order to provide independent assurance to the Board of Directors that risks have been properly identified and appropriate controls are in place. The risk appetite is determined by the Board and monitored by the Audit Committee to ensure that the risks faced are consistent. All scheduled meetings of the MFT Audit Committee were held ('virtually') throughout the Covid-19 National Emergency.

The Board has designated a Joint Group Medical Director and the Group Chief Nurse as the lead Executives and Joint-Chairs of the **Quality & Safety Committee**. This Committee sets the strategic direction for quality and safety for MFT. It is responsible for developing the organisational strategy for quality and safety in line with national/international evidence-based practice and standards.

This Committee also ensures that MFT has the structures, systems and processes it needs in order to achieve its key clinical objectives, and that they are monitored and performance managed. A significant amount of work has continued to develop clinical effectiveness indicators across all our Hospitals, MCS and LCO.

A Trust risk management training programme has been designed and delivered which undergoes an annual evaluation process. The risk management team includes a training post dedicated to risk management training.

The training programme has been impacted upon by the Covid-19 pandemic but is under review and being reinstated.

The Trust has operational risk and safety meetings at all levels which review high level incidents alongside incident trends so that lessons can be learnt for the future. We have developed robust mechanisms for recording untoward events and learning from them. The processes have been under review in year in response to the National Patient safety Strategy changes and the new Patient Safety Incident Response Framework.

As part of our Clinical Effectiveness Performance Framework, each Hospital/MCS/LCO records its activity and performance against the key clinical effectiveness indicators and produces a summary for discussion at their hospital/service review. Areas of good practice are collected on a corporate basis and shared throughout the organisation. MFT is also represented on a number of national and regional working groups.

The Trust's Single Operating Model is underpinned by the Accountability and Oversight Framework (AOF) which contributes to the overarching Board Governance Framework, enabling the Group Board of Directors to fulfil its obligations and effectively run the organisation. The AOF is one of the key enabling processes to support the delivery of the MFT vision, strategic objectives and operational plan, and incorporates the key elements below:

- Fosters a culture of devolved decision-making and accountability.
- Sets out how the Group Board of Directors and Hospitals/MCSs/LCOs will interact.
- The framework supports the principle of earned autonomy in high performing Hospitals/MCSs/LCOs and the support provided to challenged sites.
- An annual performance agreement process will formally capture the contribution of each Hospital/MCS/LCO to Group corporate objectives and targets for the year.
- The framework operates a process of performance review, led by the Group Executive Team, which assesses the performance and risk of each Hospital/ MCS/LCO in delivering its plans and objectives and meeting agreed Key Performance Indicators (KPIs).
- Enables the corporate functions to identify potential support needs, by theme, as they emerge, allowing tailored support packages to meet the specific needs of each Hospital/MCS/LCO, and drawing on expertise from across the corporate functions.

The Trust's AOF process incorporates six domains: Safety, Patient Experience, Operational Excellence, Finance, Workforce & Leadership and Strategy. The process provides a holistic and transparent process for the monitoring of Hospital/MCS performance; all domains are equally weighted with the exception of 'Safety' which is the override for monthly Hospital/MCS/LCO AOF scores.

To support the AOF monthly cycle, a performance dashboard for each Hospital/MCS/LCO has been developed which captures in one place the overarching Hospital/MCS/LCO AOF score, individual domain scores and performance against the KPIs which form each domain.

A focused governance and accountability framework was maintained throughout the Group during 2020/21 in response to the rapidly escalating phases of the Covid-19 pandemic. Whilst the AOF was 'stood down' during the National Emergency, the Trust maintained performance management oversight through its adapted committee structure and EPRR Framework; including 2-3 times weekly Strategic Command Group meetings chaired by the Group Chief Operating Officer (COO), and the monthly Finance Review meetings chaired by the Group Chief Finance Officer (CFO). Performance and quality reports continued to be produced and presented to the Board of Directors, Group Management Board and selected Board Sub-Committees.

Throughout the recovery period, the Trust's operational processes have focused on the appropriate treatment of patients, based on clinical priorities, and maximising availability of services through new models of care. All transformational and operational teams are focused on delivering against the operational and recovery outputs, with clear reporting and accountability links through the EPRR structure.

The Trust has a well-established **Quality & Performance Scrutiny Committee (QPSC)** which provides assurance on the Trust's work on quality (Patient Safety & Patient Experience) and performance (all key performance measures excluding Workforce & Finance). The Committee is chaired by a Group Non-Executive Director who identifies areas that require more detailed scrutiny, arising from national reports, Board Reports, the Board Assurance Report, patient feedback and public interest issues.

Throughout 2020/21, and despite the heightened challenges presented, the QPSC met virtually on 5 occasions. Examples of the key focus areas examined included:

- Performance Standards & Recovery
- IPC Board Assurance Report
- Report on Never Events
- Report on MFT's Response to 'Patient Safety Incident Response Framework 2020'
- Report on the CQC Action Plan (2019/20)
- Update on the Trust's Action Plan for the EPRR Core Standards Return
- Update on the Cumberlege Report
- Overview of Key Local & Regional COVID-19 Research and Learning Activities
- Overview on Key learning Themes from the following 2019/20 Annual Reports: Annual Safeguarding Report; Annual IPC Report; Annual accreditation Report; and, Complaints Annual Report.
- The Management and Investigation of Nosocomial Transmission of Covid-19 Infection
- Covid-19 Vaccination Programme
- Response to the seven immediate and essential actions for maternity services arising out of the Ockenden Report - 11th December 2020.

This ensures a level of detailed review, challenge and learning in areas of identified risk which had particularly been identified during the Trust's response to the Covid-19 pandemic.

The **Human Resources Scrutiny Committee (HRSC)**, chaired by a Group Non-Executive Director, reviews MFT's Workforce Strategy and monitors the development and implementation of the key workforce deliverables. Throughout 2020/21, the HRSC met virtually on four occasions and examples of the key focus areas examined included:

- Update Report on MFT's response to the Covid-19 Pandemic (focus on Workforce, and, Health & Wellbeing Recovery)
- Report on Supporting BAME, Disabled and LGBTQ+ Staffing during Covid-19
- Quarterly Report from the Guardian of Safe Working
- Report on the 'Pulse Check' Action Plan
- Annual Report for the Local Clinical Excellence Awards (2019/20)
- Annual Medical Appraisals & Revalidation Report (2020/21) & Annual Statement of Compliance
- Health Education England Self-Assessment Report (SAR) - Summary 2020
- MFT Gender Pay Gap Report (2020)
- 'Equality, Diversity and Inclusion Annual Report (2020)
- National Staff Survey results
- MFT People Plan

The **Finance Scrutiny Committee (FSC)**, chaired by a Group Non-Executive Director, examines the incidence, nature and potential impact of emerging or identified significant financial risks to the Group's ongoing position and performance, either in-year or forward-looking. It also examines the Trust's ongoing response to National Emergencies, Policies and Directives in relation to Finance. It seeks and receives additional levels of assurance not routinely available within the confines of regular ongoing Group Board of Directors papers and discussion, together with scrutinising the specific turnaround or mitigation plans as developed, presented to and approved by the Group Board of Directors, in relation to managing the scale and impact of the identified risks. Throughout 2020/21, the FSC met virtually on four occasions and examples of the key focus areas examined included:

- Revised Capital Programme 2020/21 (and associated updates)
- Capital Expenditure (and associated updates)
- Future NHS Financial Architecture (and associated updates)
- Chief Finance Officers Reports
- 2021/22 MFT Financial Plan (and associated updates)
- Principles for the Trust's Five-Year Capital Plan
- Procurement Strategy & Vision (2021-2025)

The Board Assurance Framework (BAF) outlines the key strategic aims of the Trust and associated risks with plans to achieve aims and mitigate risk. Key workstreams associated with this are also monitored via both the HR & QP scrutiny committees for assurance.

During periods which are not deemed a National Emergency, the workforce and leadership section of the Board Assurance Report is reviewed by the Board on a monthly basis to monitor the key workforce metrics, such as attendance, vacancies, mandatory training and appraisal compliance. Monthly performance monitoring is also undertaken as part of the Trust's Accountability Oversight Framework (AOF) process, whereby Executive Directors review key workforce metrics and delivery plans for each Hospital/MCS and LCO.

The Board of Directors also seeks assurance about the performance and risk management strategy of a key external partnership, the Manchester and Trafford Local Care Organisations (M&TLCOs), through the **M&TLCOs Scrutiny Committee (LCO SC)**.

Throughout 2020/21, and despite the heightened challenges, the LCO SC met virtually on five occasions and examples of the key focus areas examined included:

- Report on the M&T LCOs Response to the Covid-19 National Emergency and Recovery Programme (inc. Flu Vaccination Programme; Covid-19 Vaccination Programme; Hospital Discharge)
- Overview of Neighborhood Working in Manchester
- LCO and Winter Preparedness (inc. Supporting Care Home Resilience)
- Update Report on the LCO's approach to Influenza Virus Vaccine within harder to reach populations

The risk and control framework
A risk management process covering all risks has been developed throughout the organisation at all levels, with key indicators being used to demonstrate performance. The whole system of risk management is continuously monitored and reviewed by management and the Board in order to learn and make improvements to the system. The Trust's management structure has established accountability arrangements through a scheme of delegation covering both corporate and Hospital/MCS/LCO arrangements. This is reflected in the corporate and Hospital/MCS/LCO work programmes/key priorities and the governance arrangements within the Trust.

The responsibilities of each Executive Director are detailed below with particular focus on assurance provided during 2020/21:

Group Deputy Chief Executive

- Assumes responsibilities for the Group Chief Executive in his absence.
- Responsible for developing integrated care across acute, community and local authority boundaries with the City of Manchester.

During the 2020/21 Covid-19 National Emergency, the Group Deputy CEO has:

- Represented the Trust on the Manchester Community Cell, which has representation from all of the external partners including Manchester City Council, Primary Care, Greater Manchester Mental Health Trust, the LCO and our Clinical Commissioning Groups;
- Co-chaired the Manchester Accountability Board alongside the Executive Member for Health for the Local Authority. This meeting holds the partners across the Manchester system to account for delivery of the objectives of the

Local Care Organisation across the key partners in Primary Care, Adult Social Care, Mental Health Services and the Acute Sector.
- Through the delegated authority of the Group CEO, provided resilience and support to the Hospitals/MCS wherever it may have been needed.

Group Chief Operating Officer (COO)

- Responsible for the successful delivery of clinical operations in the Trust, playing an active role in the determination and implementation of corporate strategies and plans.
- Has responsibility for four key elements:
    - Operational leadership of all hospitals and services.
    - Performance management and delivery of all national and local targets.
    - Modernisation and process redesign of Trust clinical and business processes.
    - Business continuity management (including emergency planning).

- Provides effective management of the Trust on a day-to-day basis, ensuring the provision of appropriate, effective high quality patient-centered care, which meets the needs of patients and can be achieved within the revenues provided.
- Chairs the Hospital/MCS/LCO CEO Forum and the Trust Cancer Committee.
- Contributes to the development and delivery of the wider Trust agenda, including implementation of the Trust's strategic vision.

During the 2020/21 Covid-19 National Emergency, the COO especially ensured that:

- The Operations portfolio has led the MFT pandemic response from Wave 1 through to recovery. This has been driven through the use and development of our Emergency Preparedness, Resilience & Response (EPRR) plans and protocols, with a clear regime of daily and weekly meetings, ensuring that Trust services were adapting in line with the pandemic response.
- Throughout the recovery period, the Trust's operational processes have focused on the appropriate treatment of patients, based on clinical priorities, and maximising availability of services through new models of care.
- All transformation and operational teams are focused on delivering against the operational and recovery outputs, with clear reporting and accountability links through the EPRR structure.

Group Chief Nurse/Director of Infection Prevention & Control

- Responsible and accountable for leading professional nursing, patient experience and engagement.
- The Trust's Director of Infection Prevention and Control (DIPC).
- Chairs the Group Infection Control Committee and Group Safeguarding Committee.
- Responsible for ensuring compliance with statutory requirements regarding safeguarding children and vulnerable adults.

During the 2020/21 Covid-19 National Emergency, the Group Chief Nurse/DIPC has:

- Led the Trust's IPC response to the pandemic. Assurance meetings have continued to take place throughout the year with the Hospitals/MCS/LCOs. Specific task and finish groups were set up to steer the expert IPC response, including an Expert Clinical Group working alongside the Clinical Sub-group reporting into the EPRR strategic group on all matters pertaining to IPC.
- Systems were put in place to support the redeployment of clinical staff to safely support the critical care response, Staff received appropriate education, skills training, and support to function in unfamiliar clinical areas. During and at the end of the year staff were safely redeployed back to their base areas and supported with reflective opportunities for their health and wellbeing. Principles of safe staffing were adhered to; based on temporary revised national guidance.
- The vaccination programme was set up and delivered over 90,000 vaccines with over 90% of staff receiving their vaccinations and over 30,000 non MFT health and care workers and Trust affiliates receiving their vaccines, reducing the risk of transmission of the virus and keeping staff and patients safe.
- The NHS Nightingale Hospital North West was commissioned, staffed and resourced and provided safe in-patient care to the largest number of patients in the Nightingale hospitals across the country.
  It was one of only two Nightingale hospitals which admitted patients. The Care Quality Commission (CQC) registered the NHS Nightingale Hospital North West and deregistered the facility in April 2021.
- Quality of care was measured through a revised programme and forms part of the quality and patient experience report, as a result of the number of changes to ward bases, case mix and reconfiguration of services.
- Contact, information and assurance was provided to CQC officers on all matters pertaining to clinical quality, patient experience and patient safety. Preparation for transitional monitoring arrangements by the CQC was completed in a timely manner and assurance on the national IPC 10-point plan. CQC registration of North Manchester General Hospital (NMGH) was completed for April 2021.
- Safeguarding assurance meetings and activities continued throughout including education and training to safeguard our most vulnerable patients.

Group Chief Finance Officer (CFO)

- Responsible for the wide range of interrelated work programmes around finance, contracting, information and strategic planning.
- Responsible for developing and overseeing delivery of financial plans across the Trust for current and future financial years, ensuring these are integrated with operational and service delivery requirements.
- Responsible for acting in MFT's best financial interests as part of the Greater Manchester Health & Social Care Partnership.
- Holds regular meetings with local commissioners and with the North West Specialised Commissioning Team, maintaining dialogue across service delivery and planning issues including forward projections, significant developments within individual services and strategic service changes.

- Responsible for developing and delivering on any transactions which may be contemplated by the Board, which may extend the scope of the Trust's activities and responsibilities.
- The Senior Information Risk Officer for the Trust.

During the 2020/21 Covid-19 National Emergency the Trust has maintained financial governance through:

- Continuation, after the initial surge, of monthly Finance Review meetings with each Hospital/MCS/LCO, Group CFO (or Deputy) and Group COO.
- A clear Financial Governance Framework adopted through the Strategic Command and communicated via Hospital/MCS/LCO Directors of Finance.
- The implementation of an Investment Panel, comprising Hospital Director of Finance representatives and chaired by the Group Deputy CFO to review proposed investments prior to consideration by Strategic Command.
- Internal Audit have now completed their draft report into the Covid Finance Governance within MFT, which has received a "Significant Assurance" rating (the best possible rating).
- In addition, the Trust has continued both Finance Scrutiny Committee and Audit Committee meetings to maintain Board oversight of the financial position. Further, the Trust has maintained compliance with the national Financial Framework, including seeking specific approval from the National CFO on implementation of the new Hive Electronic Patient Record (EPR).

Joint Group Medical Directors

- Responsible for leading on patient safety and clinical effectiveness, research and innovation and medical education.
- Chair the Clinical Advisory Committee, the Quality & Safety Committee, the Research Governance Committee and the Informatics Strategy Board.
- Responsible for ensuring the Trust is compliant with the Human Tissue Act.
- The Responsible Officers for the Trust for the revalidation of doctors with the General Medical Council, and the Trust's Caldicott Guardians.
- Chair of the Medicines Optimisation Board and HIVE Operational Steering Committee

During the 2020/21 Covid-19 National Emergency, the benefits of Joint Group Medical Leadership in a large, complex organisation have included:

- Capacity to deliver clinical leadership, including for coordination of mutual aid, both across the system (Greater Manchester) as well as within the Trust.
- GM Executive Medical Director Lead to GM Gold, providing clinical leadership for the management of the COVID-19 pandemic and coordinated restoration of clinical services.
- Policies to improve death certification, harm reviews, incident reporting (including nosocomial (hospital acquired) Covid-19 infections); and introduction of new processes under the national Patient Safety Incident Response Framework.
- Medical leadership across MFT sites, including NMGH, for rapid development of pandemic-necessitated clinical guidelines and policies under the governance of the EPRR structure.

- Coordinate restoration and transformation of clinical services in MFT.
- Systems for oversight and management of all grades of medical workforce including training, redeployment, and peer support during the pandemic
- Augmented research activity for recruitment into, and analysis of, Covid-19 trials.

Group Executive Director of Workforce & Corporate Business

- Provides strategic direction and leadership on a range of corporate functions to enable delivery of the highest quality of services to patients.
- Provides strategic advice to the Group Chief Executive and Board of Directors on all employment matters.
- Chairs the Workforce & Education Committee.
- Chairs the HRD Group.
- Chairs the Employee Relations Oversight Group
- Interacts with staff side groups – TJNCC / LNC
- Chairs the Strategic Workforce Equality Group.
- Responsible for developing, implementing and monitoring a comprehensive People Plan ensuring that employee recruitment, retention, leadership, motivation and effectiveness are maximised.
- Responsible at Board level for effective internal and external communications ensuring at all times the appropriate positive projection of the Trust through the media.
- Responsible to the Board for its secretariat function, Governors and membership, to include support for its various meetings and internal processes.

During the 2020/21 Covid-19 National Emergency, the Group Executive Director of Workforce & Corporate Business has ensured that:

- The Trust has been meticulous in maintaining the integrity of Board and related governance arrangements and processes. This involved an assessment of existing arrangements to judge what should continue, what could be modified and what could be stood down to ensure compliance with infection prevention rules and government guidance on meetings. Attention was paid to the advice proffered by NHS I/E about Board governance and associated reporting.
- Board meetings were maintained virtually, and critical scrutiny committees continued unaffected. All decisions about the construct of meetings and business agenda were taken with the full endorsement of the Chairman. Moreover, weekly Non-Executive Director briefings were introduced at the outset of the pandemic and will continue for the foreseeable future. These facilities have been complemented by frequent and regular briefings to the MFT Council of Governors.
- Daily staff briefings complemented regular staff side meetings and special events. Additional staff-based groups were established including new staff networks and a safe working practices committee. A comprehensive Covid-19 Staff Survey was deployed, and the results used to inform the response to staff need at the height of the pandemic. This was coupled by the extension of the Employee Health and Wellbeing Service across seven days a week.

A central attendance team was also introduced to support staff and managers with the management of the significant increase in staff absence rates, Covid-19 testing demand and rapid access to staff welfare services.
- To help keep staff safe, great attention was paid to risk assessments and the management of clinically extremely vulnerable staff.

Group Executive Director of Strategy

- Responsible for all aspects of strategic planning and for providing a robust framework for the development of corporate and service strategy.
- Produces the Operational Plan submission to NHS Improvement (NHSI) and maintains the ongoing compliance relationship with NHSI, through monitoring submissions and exception reporting as required.
- Chairs the Service Strategy Committee.
- Manages many of the Trust's major stakeholder relationships and works closely with our hospital leadership teams to ensure appropriate strategic positioning to deliver our vision.
- Plays a pivotal role as a member of the Greater Manchester Health and Social Care Partnership and helps to shape the future governance arrangements linked to this historic agreement.

During the 2020/21 Covid-19 National Emergency, the MFT Strategy team was responsible for any strategic planning that continued during this time and for leading the MFT engagement with the GM Hospital Cell. The MFT Director of Strategy:

- Established GM Gold and associated arrangements to coordinate GM response to the pandemic.
- Ensured that MFT played a full part in the GM Hospital Cell pandemic response including attendance of MFT reps at all key pandemic response meetings such as GM Gold.
- Led on behalf of GM on the use of the Independent Sector ensuring that all available capacity was utilised so that patients waiting for planned procedures continued to be treated.
- Ensured that due process was followed for any MFT service changes made during the pandemic (and will be responsible for ensuring that due process is followed if any changes are subsequently to be made permanent).
- Continued the strategic development and positioning of MFT services e.g. development of Community Diagnostic hubs, development of the MFT Annual Plan.

The Trust's **Risk Management Strategy** provides the Trust with a framework that identifies risk and analyses its impact for all hospitals and services for significant projects and for the organisation as a whole. The completion of Equality Impact Assessments is part of this process.

Any hazard identified is analysed against its severity and the likelihood of it occurring. This determines the overall risk ranking and ensures there is a common methodology across the organisation. The strategy clearly sets out the individual and corporate responsibilities for the management of risk within MFT.

Implementation of the strategy ensures the Board is informed about significant risks and is then able to communicate these effectively to external stakeholders.

The Risk Management Strategy is disseminated throughout MFT and to all local stakeholders and is reviewed every two years. There is increasing involvement of key stakeholders through mechanisms such as the Quality Reviews, the annual Clinical Audit and Risk Management Fair and Governors' learning events.

Each Hospital, MCS and LCO systematically identifies, evaluates, treats and monitors action on risk on a continuous basis. This work is then reported back through the local and corporate risk management and governance frameworks.

This also connects the significant risks (those appraised at level 15 or above on the risk framework) to the organisation objectives and assesses the impact of the risks.

The outcome of the local and corporate review of significant risk is communicated to the Group Risk Oversight Committee so that plans can be monitored. All Hospitals, MCS and LCO report on all categories of risk to both the Group Risk Oversight and Quality & Safety Committees.

The Group Risk Oversight Committee undertakes further evaluation of the risks presented and their action plans and updates the Assurance Framework so that at any given time the significant risks to the organisation are identified. Risk Management and Assurance Framework processes are closely aligned and the Assurance Framework is dynamic and embedded in the organisation.

All identified risks within the organisation are captured in the Risk Register. This document also contains the detailed risk assessments and resulting action plans associated with the external assurance sources detailed under 'review of effectiveness'. The Board is therefore able to monitor progress against such action plans. Risk assessment is a fundamental management tool and forms part of the governance and decision making process at all levels of the organisation.

The Joint Group Medical Directors and Group Chief Nurse work closely on the alignment of patient safety and the patient experience. Clinical risk assessment is a key component of clinical governance and forms part of the Risk Register.

MFT also has established arrangements to advise and engage with both the Manchester and Trafford Health & Wellbeing Overview and Scrutiny Committees when there are proposed service changes which may impact on the people who use our services.

The Trust endeavours to work closely with patients and the public to ensure that any changes minimise the impacts on patients and public stakeholders.

As a Foundation Trust, we also inform our Council of Governors of proposed changes including how any potential risks to patients will be minimised. During non-National Emergency peak periods, the Group Chief Executive (and supporting Group Executive Directors) makes regular reports to the Governors on the position against Trust risks scored at 15 or above.

Progress on mitigation is Red/Amber/Green rated and shared with the Governors with bespoke presentations at each Council of Governors meeting on key risks (at the request of Governors).

The principles of risk management and associated governance, as described within the Trust's Risk Management Policy and associated policies, were maintained throughout the organisation's response to the Covid-19 pandemic. The Trust's risk register was used to proactively manage actual and latent risk caused by the pandemic itself, and the response that the organisation made. This ensured that there was Trust-wide visibility of the risks being managed and wide engagement with understanding the effectiveness of mitigation put in place.

With Group Executive and Non-Executive Director approval, elements of the governance infrastructure were scaled down in a proportionate way to enable executive and senior management focus on the management of emergent risks presented by the pandemic. This was under continuous executive review. The use of Microsoft Teams to support virtual meetings has enabled engagement with and attendance at key decision-making meetings. Learning in relation to this approach has been used, for instance, in relation to the Trust-wide response to a recent National Patient Safety Alert. All Quality and Safety Committee meetings continued.

Overview of the organisation's strategic risk profile
The Directors identified and supported a number of significant risks during 2020/21, with a particular focus on risks associated with the Covid-19 pandemic response, and also on evaluating the impact of the response to the pandemic on the Trust's existing risk profile.

The risks identified and actively mitigated during the year related to:

- overall impact of the Trust's response to the Covid-19 pandemic, including the potential of failure to maintain the quality of patient services, infection prevention and control, workforce related risks and operational performance (including the establishment of the NHS Nightingale Hospital North West)
- safe and effective management of diagnostic and screening test results
- safe and effective storage of medicines
- compliance with the Trust's appraisal policy
- effective decontamination processes
- capacity of the informatics service to deliver against its service objectives
- effectiveness of Cyber Security controls
- availability and integrity of clinical records
- capacity of the paediatric dentistry team to meet demand for its service
- achievement of JAG (Standards for Endoscopy provision) Accreditation
- safe, responsive and effective delivery of the North West Ambulance Service and North West & North Wales Paediatric Transport Service
- compliance with Human Fertilisation and Embryo Authority regulations in relation to Embryo Storage
- achievement of financial sustainability and stability
- Laboratory Medicine estate
- renal replacement therapy
- staffing in the Maternity Unit

- staffing in the paediatric Emergency Department
- theatre capacity (at Wythenshawe Hospital)
- response to the Ockenden Report.

As described within the section describing the Trust's capacity to handle risk, the escalation and management of all risks is defined within the Risk Escalation Framework, supported by a clear policy and governance infrastructure. The Corporate Risk Register was used to manage this range of both in-year and ongoing (which will require management into the future) risks to the achievement of the strategic objectives.

At the time of writing this report there are two risks which are assessed as impacting on the delivery of the Trust's Strategic Objectives being actively managed by the organisation that are rated 20 or above; these are current, in-year risks but will require ongoing management into the future. They are related to the Trust's response to the Covid-19 pandemic. These risks are described below; a range of mitigating actions have been developed and are recorded on the Corporate Risk Register, along with the details of the action plan lead and the date for completion of these actions.

The Corporate Risk Register is monitored bi-monthly at the Group Risk Oversight Committee meeting, and progress is also evaluated in line with the processes detailed elsewhere in this Annual Governance Statement. Accounts in relation to the mitigation of the risks described below, and assurance associated with its effectiveness, can be found throughout the Trust's Annual Report 2020/21.

- There is a risk that ineffective infection prevention and control measures will result in Covid-19 acquisition in patients and staff
- There is a risk that delivery of constitutional standards for urgent and elective care is compromised (this was an existing risk which was exacerbated by the organisation's response to the Covid-19 pandemic, which included nationally mandated service suspensions)

Quality governance arrangements
Compliance with Care Quality Commission (CQC) registration was monitored through a number of Trust Committees but the main Committees are the Group Quality and Safety Committee, the Quality & Performance Scrutiny Committee, and, the Group Risk Oversight Committee.

All Hospitals/MCS/LCO report risks via an electronic system and risks are escalated up to the Group Risk Oversight Committee above a score of 15. These risks are mapped against the key priorities on the Board Assurance Framework. This can be mapped to the CQC Standards.

The quality of performance information is subject to an annual audit which evaluates the key processes and controls for managing and reporting the indicators.

The Trust has had an established Quality Review process in place since 2013/14, in response to the recommendations set out by the Francis, Keogh and Berwick reports earlier the same year (2013).

Internal reviews are informed by extensive data packs which pull together key indicators reflecting the quality of care across each Hospital/MCS/LCO.

The Trust also has a well-established Improving Quality Programme (IQP) and Accreditation process in place which examines performance across four domains: leadership and culture of continuous improvement, environment of care, communication about and with patients and nursing processes: including medication management and the meals service.

Findings are mapped against agreed criteria for each standard and clinical areas are scored as white, bronze, silver or gold. Areas that consistently achieve a Gold rating become eligible for an Excellence in Care Award, providing a Gold rating is achieved in all domains. Patient experience survey data and quality of care data is used along with Accreditation outcomes to drive continuous improvement.

The Board of Directors receives regular reports on accreditation outcomes and an Annual Accreditation Report. The full accreditation process was stood down in March 2020 to release capacity for the pandemic response. However, it was temporarily replaced by an assurance process in which quality and safety data was captured and triangulated for all clinical areas and each Director of Nursing/Midwifery/Healthcare Professionals undertook an assurance meeting with the Deputy Chief Nurse to identify any areas of best practice and improvement. Assurance meetings were underpinned by environmental visits by the Quality Improvement Team. The full accreditation programme will resume from May 2021.

Care Quality Commission
MFT is required to register with the CQC and our current registration status is fully registered with no conditions. The CQC has not taken enforcement action against the Trust during 2020/21, nor did MFT participate in any special reviews or investigations by the CQC.

Managing conflicts of interest
The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months, as required by the Managing Conflicts of Interest in the NHS guidance. https://mft.nhs.uk/the-trust/the-board/register-of-directors-interests/

Hospital/MCS Review Process
Performance management meetings with hospital senior leadership teams via the AOF (Accountability and Outcomes Framework), and other forums, was scaled down during the 2020/21 National Emergency and will be reconvened at the appropriate time in the organisational recovery process.

Prior to 2020/21, a review process had been established through which each Hospital/MCS was assigned an overall monthly Accountability Oversight Framework (AOF) Level which determines the level of recognition, intervention and support required. The AOF levels range from 1 (low risk) to 6 (high risk).

A Hospital/MCS rated 1 will have earned autonomy; as the level of risk increases there is a corresponding and proportionate increase in the level of scrutiny, intervention and action that is required. The frequency of performance review meetings between the Group Executive Directors and the Hospital/MCS Executive team ranges from six monthly (lowest risk) to monthly (highest risk).

The Hospital/MCS AOF level is a composite score of performance against the six domains: Safety, Patient Experience, Operational Excellence, Finance, Workforce & Leadership; and, Strategy. Each domain comprises a range of key performance indicators (KPIs) that align to regulatory and organisational requirements. In addition, any soft intelligence available to the Group Executives will be taken into consideration.

Assurance Framework
The Assurance Framework structures the evidence on which the Board of Directors depends to assure it is managing risks which could impact on MFT's key priorities.

Review of economy, efficiency and effectiveness of the use of resources
We invest significant time in improving systems and controls to deliver a more embedded range of monitoring and control processes.

The in-year use of resources is closely monitored by the Board of Directors and the following committees:

- Audit Committee.
- Remuneration Committee.
- Finance Scrutiny Committee.
- Quality & Performance Scrutiny Committee.
- Trust Risk Management (Oversight) Committee.
- Human Resources Scrutiny Committee.

MFT employs a number of approaches to ensure best value for money (VFM) in delivering its wide range of services. Benchmarking is used to provide assurance and to inform and guide service redesign. This leads to improvements in the quality of services and patient experience as well as financial performance.

The Trust is compliant with the principles and provisions of the NHS Foundation Trust Code of Governance following an annual review with Board members. The Board's statement on compliance is contained in detail on page 139 onwards of this report.

We have also undertaken risk assessments and have a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). MFT ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are met. See pages 67-69 for more information about our sustainability plans.

Workforce strategies and staffing systems
MFT has a continuous focus on workforce matters as a central feature of its overall approach to business and strategic planning.

This includes delivery of the clinical services strategy and more recently the Trust's response to Covid-19, including recovery planning. Detailed workforce data is used to inform workforce planning and modelling and reports are regularly submitted to the Covid-19 Strategic Group and the HR Scrutiny Committee. Information is analysed and applied to inform decisions about recruitment, staff deployment and financial planning.

Developing Workforce Safeguards
The Trust is fully compliant with national requirements for monitoring and accounting for safe staffing levels associated with nursing, midwifery and doctors in training. Regular assurance reports are submitted to the HR Scrutiny Committee by the Group Chief Nurse and Group Joint Medical Directors. In addition, all business cases for service development which include workforce requirements are scrutinised to ensure proposed staffing levels are appropriate and safe.

Operationally, e- rostering is in place which alerts when triggers are reached which might indicate compromised clinical staffing levels. This is complemented by 24 hour site manager shift supervision, the availability of incident reporting and a Freedom to Speak Up guardian and champions.

The Quality and Performance Scrutiny Committee and Group Risk Oversight Committee seek assurance on matters of safety and risk relating to safe staffing levels.

Information Governance
MFT takes its Data Protection and Information Governance responsibilities very seriously. It has a comprehensive Information Governance (IG) framework of statutory requirements, standards, best practice policies and guidelines to ensure personal data and corporate information is safeguarded, handled and managed in line with Data Protection legislation and NHS national standards and guidelines.

The IG framework provides the tools to enable MFT staff to confidently handle the personal data that is necessary for their role. It promotes confidentiality, integrity and availability of data with a focus on security and provides guidance for the handling of personal data legally, effectively and efficiently in order to provide the best possible healthcare to patients and to support the public health requirements during the Covid-19 pandemic.

MFT takes the threat of cyber-attacks very seriously and has robust measures and controls in place to improve cyber awareness and resilience of its IT infrastructure and manage the threat of cyber-attack and other IT vulnerabilities and security threats.

The Information Governance agenda is overseen by the Group Information Governance Board (GIGB). The GIGB formally reports to the Group Informatics Strategy Board as part of the Trust's information governance assurance process.

The GIGB supports the Group Chief Executive as the Accountable Officer of the Trust and the Executive Senior Information Risk Owner (ESIRO) via the Senior Information Risk Owner (SIRO) in providing assurance, through the Annual Governance Statement, that information risks are effectively managed and mitigated.

The Trust uses the annual mandatory NHS Data Security and Protection Toolkit (DSPT) as its self-assessment for compliance against the ten NHS Data Security Standards set by the National Data Guardian. The self-assessment allows MFT to measure itself against the standards to demonstrate that data is handled correctly and is protected from unauthorised access, loss, damage and destruction.

MFT published its 2019/20 NHS Data Security and Protection Toolkit (DSPT) on 31st March 2020 at the start of the Covid-19 pandemic. The Trust will complete and submit its next self-assessment against the 2020/21 DSPT by 30th June 2021.

Information Governance breaches, which include breaches under Data Protection Act 2018/UK GDPR and the Security of Network Information System Regulations 2018 (NIS) are managed in line with the Trust's incident management policy. Serious information governance breaches are also managed in line with the NHS Guide to the Notification of Data Security and Protection Incidents.

During financial year 2020/21 there have been two incidents at a level which required reporting to the Information Commissioner's Office (ICO). These incidents related to:

- Unauthorised access to personal information via a web form
- Unauthorised disclosure of personal data by email.

The ICO did not take any formal action against the Trust. For each of the incidents, the ICO made recommendations and the Trust is implementing these recommendations, with progress being monitored by Group Information Governance Board.

During 2020/21 the MFT Information Governance (IG) team has worked closely with IG colleagues at The Northern Care Alliance NHS Group to make sure that the necessary data protection and information governance arrangements are in place to support MFT's acquisition of North Manchester General Hospital (NMGH) on 1st April 2021.

The principal risks to compliance with the NHS foundation trust condition 4 (FT Governance)

The principal risks to compliance with the NHS FT Condition 4 are outlined below. Action taken by the Trust to mitigate these risks in the future is outlined elsewhere in the Annual Governance Statement.

- Compliance with Care Quality Commission registration requirements MFT is fully compliant with the registration requirements of the Care Quality Commission.
- Compliance with equality, diversity and human rights legislation Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.
- Compliance with the NHS Pension Scheme.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Annual Quality Report
In compliance with the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended), the Directors are normally required to prepare Quality Reports for each financial year.
NHS Improvement (exercising powers conferred on Monitor) issues guidance to NHS Foundation Trust Boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

However, due to the coronavirus pandemic, NHS Improvement has relaxed this requirement for 2020/21 and so a Quality Report is not included within this Annual Report. A Quality Account can be found on pages xx to xx.

Information on organisational performance is available to Board members and Governors through the online Board Assurance Framework system, in a clear Red, Amber, Green (RAG) rated graphical format. Each Group Executive Director has responsibility for a range of indicators related to their areas of operation, and monitors progress on resolving any issues identified.

The data within the system feeds the monthly Board of Directors integrated Trust Board Assurance Report that comprises quality, patient safety and experience, operational performance, human resources and financial performance. The report provides oversight of trends and historical performance, individual Hospital and MCS performance, highlights areas of risk, factors impacting on performance and the actions being taken to bring performance back to the required standard.

In addition, the outputs from the monthly AOF process are reported to the Group Executive Team, Trust Quality & Performance Scrutiny Committee and Group Management Board. This enables the Quality & Performance Scrutiny Committee to use this intelligence alongside the Trust Board Assurance Report to identify any areas that require further scrutiny and assurance.

MFT uses a reporting and analysis system to support the management of services and performance. This system is available to all staff from Board to ward, who can view it on a daily basis and access up to date performance information. The system is used to support our internal governance structure and any performance reporting required by external organisations.

In addition, our clinical and operational staff use the information to produce bespoke reports which analyse patient activity and assist with planning and administration as well as performance management tracking. Using this information tool reinforces that performance management is part of everyone's job.

To support assurance of the accuracy of reported KPIs through the Trust internal audit programme and the external audit programme, a number of Board Assurance metrics are selected every year for testing. The outcomes of this testing are reported to the MFT Audit Committee and actions are put in place based on the recommendations to drive continuous improvement in data quality.

In addition, this is supplemented by further audits throughout the year, undertaken by the performance team and Hospitals, to provide assurance of maintaining and improving levels of data quality. Over the last five years there has been a particular focus on KPIs for the A&E four hour wait standard, Referral to Treatment 18 weeks, Cancer and Diagnostics.

'Lessons Learned' (during the Covid-19 National Emergency)
A 'lessons learned' exercise was undertaken following the first wave of the pandemic which involved stakeholders from across MFT. This was shared widely across the Trust and fed into the development of the workstreams for the Recovery and Resilience Programme Board. Regular Strategic and daily tactical meetings have allowed rapid spread of learning across the organisation. A daily multichannel communications cascade has been in place from an early stage in the pandemic which employs distinctive branding to alert staff to important communications.

The Trust recognises the opportunities for a different approach to optimising learning that the response to the pandemic provided. These ranged from the practical ability to engage with a wider audience at meetings and seminars through the convenience of virtual communication channels, to the successful rapid tests of change that occurred to support innovation in the way patient care was delivered.

The Trust was able to learn from how it learned, and applied this to a fundamental change in the approach to optimising learning about patient safety. The Trust implemented a Group-wide patient safety management system, supporting effective patient safety oversight on a daily basis. This will ensure learning opportunities are identified in a contemporaneous and collaborative way, and actions taken to ensure learning are proportionate and effective.

The Trust has also taken the opportunity from this learning to establish a Human Factors Academy, designed to support the Trust's implementation of the NHS Patient Safety Incident Response Framework in 2022, but focusing on addressing key learning questions to support improvements and innovation. The Trust has an established Patient Safety Specialist Network, based on the principles of 'liberating structures' methodology. It focuses on engaging clinical and non-clinical staff in innovative ways with patient safety.

Review of effectiveness
As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within our Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on a range of performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors, the Group Risk Management (Oversight) Committee, the Audit Committee, the Quality & Performance Scrutiny Committee, and the HR Scrutiny Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review is also informed by other major sources of assurance such as:

- Internal Audit Reports
- External Audit Reports
- Clinical Audit Reports
- Patient Surveys
- Staff Survey
- Royal College accreditation(s)
- Health and Safety Executive Inspection Reports
- Care Quality Commission Intelligent Monitoring Standards
- PLACE assessments
- Senior Leadership Walk-rounds
- Clinical Pathology Accreditation
- Care Quality Commission - registration without conditions
- Equality and Diversity Reports
- General Medical Council Reports.

The Trust applies a robust process for maintaining and reviewing the effectiveness of the system of internal control. A number of key groups, committees and teams make a significant contribution to this process, including:

- **Board of Directors**

The statutory body of the Trust is responsible for the strategic and operational management of the organisation and has overall accountability for the risk management frameworks, systems and activities, including the effectiveness of internal controls.

The Terms of Reference and responsibilities of all Board Sub-Committees are reviewed regularly in order to strengthen their roles in governance and focus their work on providing assurances to the Board on all risks to the organisation's ability to meet its key priorities.

- **Audit Committee**

The Audit Committee provides an independent contribution to the Board's overall process for ensuring that an effective internal control system is maintained and provides a cornerstone of good governance. The Audit Committee monitors the assurance processes of all other Board Committees (see also the Audit Committee report on pages 89-91).

- **Internal Audit**

Internal Audit provides an independent and objective opinion to the Accounting Officer, the Board and the Audit Committee, on the degree to which MFT's systems for risk management, control and governance support the achievement of the Trust's agreed key priorities.

The Internal Audit team works to a risk based audit plan, agreed by the Audit Committee, and covering risk management, governance and internal control processes, both financial and non-financial, across the Trust. The work includes identifying and evaluating controls and testing their effectiveness, in accordance with Public Sector Internal Audit Standards.

A report is produced at the conclusion of each audit and, where scope for improvement is found, recommendations are made and appropriate action plans agreed with management. Reports are issued to and followed up with the responsible Group Executive Directors.

The results of audit work are reported to the Audit Committee which plays a central role in performance managing the action plans to address the recommendations from audits. Internal audit reports are also made available to the external auditors, who may make use of them when planning their own work.

In addition to the planned programme of work, internal audit provide advice and assistance to senior management on control issues and other matters of concern. Internal Audit work also covers service delivery and performance, financial management and control, human resources, operational and other reviews.

Based on the work undertaken, including a review of the Board's risk and assurance arrangements, the Head of Internal Audit Opinion concluded on 4th May 2021 that ***'Significant assurance with minor improvement opportunities'*** could be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control for the period 1st April 2020 to 31st March 2021.

- **Clinical Audit**

The Clinical Audit teams in the Hospitals and MCS oversee the development and delivery of an annual Clinical Audit Plan. This plan includes mandatory national audits, locally agreed priority audits and monitoring audits in respect of external regulation and accreditation.

The calendar is presented to the Trust Audit Committee and provides assurance on both clinical outcomes and compliance with guidance such as that provided by the National Institute for Health & Care Excellence (NICE) and the National Confidential Enquiry into Patient Outcome and Death (NCEPOD).

Data Validation is undertaken through data quality checks, audits (internal and external), hospital scrutiny groups, variance checking, extensive daily reporting and analysis. These checks are reflected through the Data Quality dashboard.

An internal audit was commissioned into clinical audit governance processes in Q3 2020/21 which found limited assurance and made recommendations for improvement. These improvements are underway.

- **Additional Scrutiny Committees**

To provide oversight of two significant programmes, the Trust has two additional Scrutiny Committees. The North Manchester Scrutiny Committee's remit is to oversee the progress of the acquisition of North Manchester General Hospital from Pennine Acute Hospitals NHS Trust. The Electronic Patient Record (EPR) Scrutiny Committee reviews the £400m programme to deliver the new MFT Hive EPR.

Conclusion

No significant internal control issues have been identified.

The Board confirms that it is satisfied that, to the best of its knowledge and using its own processes and having regard to NHS Improvement's Quality Governance Framework (supported by Care Quality Commission information, our own information on serious incidents and patterns of complaints) MFT has effective arrangements for monitoring and continually improving the quality of healthcare provided to our patients.

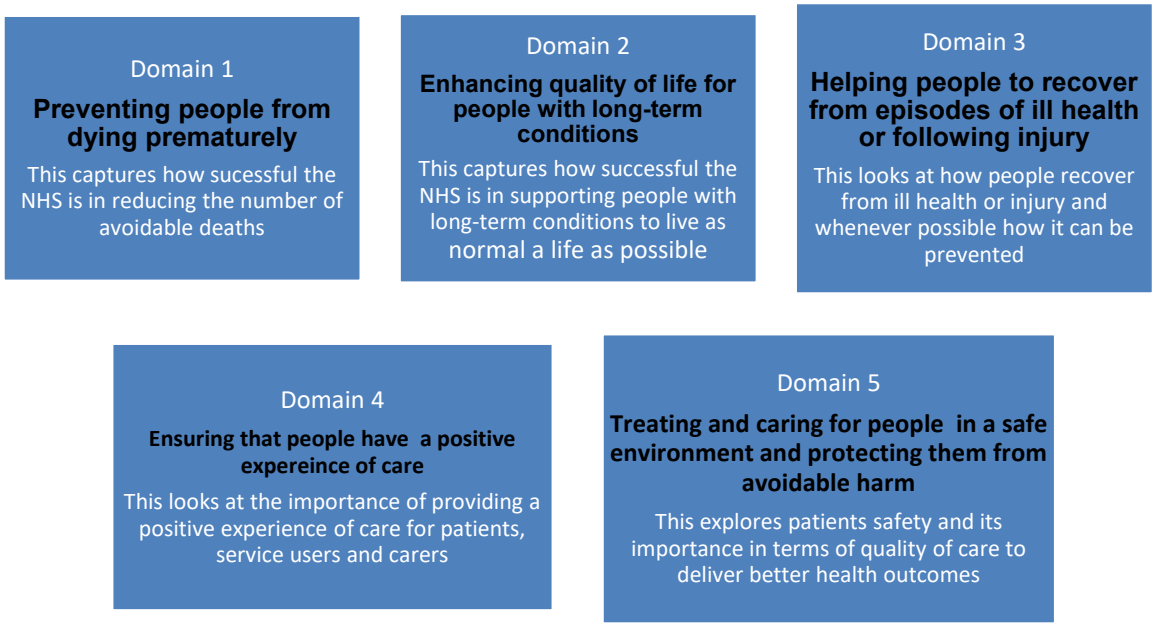
Sir Michael Deegan CBE
Group Chief Executive
9th June 2021

4 Quality Account

Overview of 2021/22: Priorities and areas for improvement

This section of the Annual Report provides an overview of our priorities for the upcoming year as we work towards recovering from the pandemic. We are proud of our long-standing commitment to patient safety and continue to focus on improving the quality of care that we provide. We know that embedding our values enables our staff to demonstrate key behaviours that leads to safer care; listening to patients and colleagues, responding proactively where there are concerns, and being caring and supportive when things do go wrong. We will continue to focus on these principles to achieve the best care for our patients and families.

Each year we are required to define a number of quality priorities which we usually align to the NHS Outcomes Framework. A set of indicators designed to improve standards of care and reduce health inequalities. These indicators are grouped under 5 key areas. This is so that all organisations are clear about the areas they should be aiming to improve. We have therefore set and align our 2021/22 priorities to this.



This year we have set the following priorities which will be monitored through our Trust Governance structures:

Improvement priority	Rationale for selection
Implementation of the National Patient Safety Strategy	In response to national guidance and requirement
Implementation of Patientrack across all sites	To achieve a consistent approach across MFT in recording patients observations
Reduction in avoidable deaths	Improve patient safety and preventing people dying prematurely
Implementation of the recovery plan and improved access to care	Services suspended as a result of Covid-19 pandemic have been reinstated as per the MFT recovery plan

Improvement priority	Rationale for selection
Reinstatement of the comprehensive Ward Accreditation and Improving Quality Programme (IQP)	In light of the on-going need to minimise transmission of COVID-19, the MFT accreditation programme for 2021/22 was reviewed by the senior nursing teams with a view to adopting a revised process. As has been the case previously, the revised process is structured more closely to the five CQC Key Lines of Enquiry. The IQP and the Ward Accreditation programmes involve all inpatient wards, community, outpatients, and day case areas. The programmes aim to ensure that the clinical areas consistently deliver high quality care across through a culture of continuous improvement, including leadership, team culture and use of evidence-based practice.

We will continue to deliver against these priorities however; our primary focus will be our organisational, regional and national response to the COVID-19 pandemic.

Review of Services

During 2020/21 Manchester University NHS Foundation Trust provided and/or subcontracted all relevant health services.

Manchester University NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these relevant health services.

Due to the pandemic the way the NHS funding/payment system has worked in 2020/21 is different and therefore not all of last year's statements can be repeated.

Care Quality Commission

Manchester University NHS Foundation Trust (MFT) is required to register with the Care Quality Commission (CQC) and its current registration status is fully registered with no conditions. MFT has had no conditions on registration.

The CQC has not taken enforcement action against MFT during 2020/21.

MFT has not participated in any special reviews or investigations by the CQC. The Trust works closely with the CQC on maintaining high quality services.

The CQC in September 2020, set out its plans on how it is going to regulate Trusts during the next phase of the Covid 19 pandemic, a transitional regulatory monitoring approach. In response to the new approach, MFT had a transitional monitoring review in April 2021. The overall feedback from the CQC was positive with no concerns identified.

MFT continues to work closely with all external regulators and inspection bodies and will use regulatory findings to make improvements where needed and as an assurance of quality.

Accuracy of data and Information Governance

On 16th March 2020 NHS Digital (NHSD) extended the submission deadline for the Data Security and Protection Toolkit (DSPT) until 30th September 2020 due to the Covid-19 pandemic. Although the Trust had not met the 95% IG training compliance, a decision was made to submit its 2019/2020 DSPT assessment on the original deadline date of 31st March 2020. The Trust's DSPT was published as: Standards not fully met (Plan Agreed).

As part of the DSPT submission extension NHSD subsequently amended the IG training requirement so that 95% compliance could be measured for an 18 month period, April 19 – September 20. Using this extended 18 month timeline Manchester University Foundation Trust can demonstrate it achieved 95% compliance on IG training, although the DSPT status has not been changed.

Data Quality

Manchester University NHS Foundation Trust submitted records during 2020-21 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data which included the patient's valid NHS number was:

- **99.6%** for admitted patient care
- **99.8%** for outpatient care, and
- **97.6%** for accident and emergency care

The percentage of records in the published data which included the patient's valid General Medical Practice Code was:

- **99.7%** for admitted patient care
- **99.4%** for outpatient care, and
- **98.9%** for accident and emergency care

National, local, and clinical audits

National Audit

During 2020/21 national clinical audits covered relevant health services that Manchester University Hospitals Foundation Trust provides. During this period some national audits were impacted on by Covid-19. The national clinical audits that the Trust was eligible to participate in during 2020/21 are shown in Table 2.

Table 2 National Audit

Title	Site(s)	2020/21 No. of cases	2020/21 % of cases submitted	Notes
Antenatal and new-born national audit protocol 2019 to 2021 (PHE Screening - antenatal and new-born screening)	SMH	1	100%	Data is not due until July 2021

Title	Site(s)	2020/21 No. of cases	2020/21 % of cases submitted	Notes
British Spine Registry	RMCH	110	Unknown	Submission reduced (Covid-19), currently undertaking retrospective data collection and verification
Case Mix Programme (CMP)	CSS	4422	100%	Breakdown of numbers by site and unit is available
Cleft Registry and Audit Network (CRANE)	RMCH	118	100%	
Elective Surgery (National PROMs Programme)	MFT	In progress	In progress	PROMs will release data in August 2021
Emergency Medicine QIPs - Fractured Neck of Femur (care in emergency departments)	MRI WTWA	MRI 62 WTWA 21	MRI Unknown WTWA Unknown	Analysis of % of cases will be possible when RCEM analyses data later in 2021
Emergency Medicine QIPs - Infection Control (Care in Emergency Departments)	MRI WTWA	MRI 126 WTWA 130	MRI Unknown WTWA Unknown	Analysis of % of cases will be possible when RCEM analyses data later in 2021
Emergency Medicine QIPs - Pain in Children (Care in emergency departments)	RMCH WTWA	In progress	In progress	Data collection adjusted (Covid-19) and ends in Oct 2021
Falls and Fragility Fracture Audit Programme (FFFAP) - National Audit of Inpatient Falls	MFT	42	100%	Breakdown of numbers by site is available
Falls and Fragility Fracture Audit Programme (FFFAP) - National Hip Fracture Database (NHFD)	WTWA	MRI 149 WTWA 416	100% (all sites)	
Inflammatory Bowel Disease (IBD) Audit - Inflammatory Bowel Disease (IBD) Service Standards	MRI WTWA	N/A	N/A	No data collection planned in 2020/2021
Inflammatory Bowel Disease (IBD) Audit - Inflammatory Bowel	MRI WTWA	MRI N/A WTWA N/A		Data submission suspended for sites not able to

Title	Site(s)	2020/21 No. of cases	2020/21 % of cases submitted	Notes
Disease (IBD) Biological Therapies Audit	RMCH	RMCH 36	RMCH100%	submit due Covid-19
Mandatory Surveillance of HCAI	CSS	93	100%	Data submitted as part of the mandatory monthly returns for PHE
National Adult Diabetes Audit (NDA) - National Diabetes Foot Care Audit	MRI WTWA	MRI 162 Trafford 61 Wythenshawe1 12	100% (all sites)	
National Adult Diabetes Audit (NDA) - NDA Integrated Specialist Survey	MRI WTWA	1	100%	No cases. Survey submitted for all services at MFT
National Adult Diabetes Audit (NDA) - National Diabetes Inpatient Audit Harms (NaDIA-Harms)	MFT	12	100%	WTWA do not participate, due to update of Diamond system required
National Adult Diabetes Audit (NDA) - National Diabetes in Pregnancy Audit	SMH	99	100%	Data is obtained from other diabetes national audits
National Adult Diabetes Audit (NDA) - National Core Diabetes Audit	MRI	3120	100%	Data submission suspended at MRI (Covid-19)
National Adult Diabetes Audit (NDA) - National Diabetes Transition (linkage with NPDA)	MRI WTWA	N/A	N/A	MRI submissions impacted by Covid-19 Wythenshawe - Inpatient service closed Mar-Jul 2020
National Asthma and COPD Audit Programme (NACAP) - Adult asthma secondary care	MRI /WTWA	MRI N/A WTWA 52	MRI N/A WTWA 100%	Data submission suspended at MRI (Covid-19)
National Asthma and COPD Audit Programme (NACAP) - Paediatric - Children and young people asthma secondary care	RMCH	RMCH (ORC) 95 RMCH (WTWA) 33	RMCH (ORC) 83% RMCH (WTWA) 100%	Data submission suspended at MRI (Covid-19)
National Asthma and COPD Audit Programme (NACAP) -	MRI WTWA	MRI N/A WTWA 72	MRI N/A WTWA 100%	Cancelled in 2020 (Covid-19)

Title	Site(s)	2020/21 No. of cases	2020/21 % of cases submitted	Notes
Pulmonary Rehabilitation				
National Asthma and COPD Audit Programme (NACAP) - Chronic Obstructive Pulmonary Disease (COPD)	MRI WTWA	MRI N/A WTWA 339	MRI N/A WTWA 100%	Deferred (Covid-19) to 2021
National Audit of Breast Cancer in Older People (NABCOP)	WTWA	632	100%	Deferred (Covid-19) to 2021
National Audit of Cardiac Rehabilitation	MRI WTWA	MRI 179 WTWA 440	100% (all sites)	Submission reduced (Covid-19), currently undertaking retrospective data collection and verification
National Audit of Care at the End of Life (NACEL)	MRI WTWA	N/A	N/A	
National Audit of Dementia (NAD) - Care in general hospitals	MRI WTWA	N/A	N/A	
National Audit of Dementia (NAD) - Spotlight audit in memory services	MFT	N/A	N/A	
National Audit of Seizures and Epilepsies in Children and Young People (Epilepsy 12)	RMCH	239	Unknown	
National Cardiac Arrest Audit (NCAA)	CSS	MRI 88 WTWA 73	100% (all sites)	
National Cardiac Audit Programme (NCAP) - National Audit of Percutaneous Coronary Interventions (PCI) (Coronary Angioplasty)	MRI WTWA	MRI 1606 WTWA 258	100% (all sites)	
National Cardiac Audit Programme (NCAP) - National Adult Cardiac Surgery Audit	MRI WTWA	MRI 364 WTWA 657	100% (all sites)	
National Cardiac Audit Programme (NCAP) - Myocardial Ischaemia National Audit Project (MINAP)	MRI WTWA	MRI 904 WTWA 797	100% (all sites)	All NHSBT 2020-21 national audits were deferred

Title	Site(s)	2020/21 No. of cases	2020/21 % of cases submitted	Notes
National Cardiac Audit Programme (NCAP) - National Audit of Cardiac Rhythm Management Devices and Ablation	MRI WTWA	MRI 906 WTWA 827	100% (all sites)	Scheduled for Spring 2020; postponed until May 2021
National Cardiac Audit Programme (NCAP) - National Congenital Heart Disease Audit (NCHDA)	MRI	71	100%	Data submission suspended at WTWA (Covid-19)
National Cardiac Audit Programme (NCAP) - National Heart Failure Audit	MRI WTWA	MRI 253 WTWA 197	100% (all sites)	
National Comparative Audit of Blood Transfusion	CSS	N/A	N/A	Data submission on-going, deadline October 2021
National Comparative Audit of Blood Transfusion programme	CSS	N/A	N/A	Cancelled in 2020 (Covid-19)
National Early Inflammatory Arthritis Audit (NEIAA)	MRI WTWA	MRI 151 WTWA N/A	Unknown	Deferred (Covid-19) to 2021
National Emergency Laparotomy Audit (NELA)	MRI WTWA	MRI 138 WTWA 88	MRI 97% WTWA 100%	Deferred (Covid-19) to 2021
National Joint Registry	WTWA	MRI 44 TGH 304 Wythenshawe 193	100% (all sites)	
National Lung Cancer Audit Programme	MRI WTWA	MRI 363 WTWA 1518	MRI 100% WTWA 100%	
National Maternity and Perinatal Audit (NMPA)	SMH	In progress	In progress	Project does not collect data directly from NHS Trusts. Analysis and preparation of current reports is continuing.
National Neonatal Audit Programme (NNAP)	SMH	1618	100%	Data is also available by site
National Ophthalmology Audit (NOD) - Adult Cataract surgery	MREH	In progress	In progress	NOD cannot confirm numbers until later in 2021
National Paediatric Diabetes Audit (NPDA)	RMCH	RMCH (ORC) 383 RMCH (WTWA) 146	100%	Data submission deadline extended to 1st June 2021

Title	Site(s)	2020/21 No. of cases	2020/21 % of cases submitted	Notes
National Prostate Cancer Audit (NPCA)	WTWA	151	100%	
National Vascular Registry	MFT	553	91%	
Paediatric Intensive Care Audit Network (PICANet)	RMCH	820	100%	
Perioperative Quality Improvement Programme (PQIP)	MRI	6	100%	
Sentinel Stroke National Audit Programme (SSNAP)	MRI WTWA	MRI 158 WTWA 196	MRI 100% WTWA 100%	
Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme	CSS	34	100%	
Society for Acute Medicine Benchmarking Audit	MRI WTWA	N/A	N/A	Data collection deferred (Covid-19)
Surgical Site Infection Surveillance	CSS	N/A	N/A	Not submitted (Covid-19)
Trauma Audit & Research Network	MRIWTWA RMCH	MRI 752 RMCH 175 WTWA 235	MRI Unknown RMCH Unknown WTWA Unknown	Analysis of the % of cases will be possible when TARN publish Q4 dashboard in July 2021
UK Cystic Fibrosis Registry	RMCH WTWA	RMCH 174 WTWA 406	RMCH Unknown WTWA 100%	RMCH Data submission and validation on-going as data collection delayed (Covid-19)
UK Registry of Endocrine and Thyroid Surgery	MRI WTWA	MRI N/A WTWA 80	MRI N/A WTWA 100%	MRI - data not submitted (Covid 19)
Urology Audits - Cytoreductive Radical Nephrectomy Audit	MRI WTWA	5	100%	
Urology Audits - Renal Colic Audit	MRI WTWA	MRI 20 WTWA 0	MRI 100% WTWA 100%	
National Joint Registry	WTWA	MRI 44 TGH 304 Wythenshawe 193	100% (all sites)	

Local Clinical Audit
The reports of 377 local clinical audits were reviewed by the Manchester University NHS Foundation Trust in 2020/21. Some examples from the programme are:

- Royal Manchester Children's Hospital re-audited clinics in children's surgery to assess if they were running at full capacity. Actions were undertaken following the initial audit; re-audit showed that the actions had been effective, the clinics were running more efficiently and so providing patients with a better service.

- Vascular Surgery in Manchester Royal Infirmary re-audited the follow up (invitation for annual review) for patients who had a specific surgical procedure (EVAR – EndoVascular Aneurysm Repair) performed. The re-audit showed an improvement on the previous audit.

- The Falls Service in the Manchester Local Community Organisation re-audited compliance with NICE guidance on Falls, to ensure that patients received the correct information and assessments. The results provided assurance that the team were following NICE guidance and demonstrated continuing improvement (from significant assurance on previous audit to full assurance).

- The Oral and Maxillofacial Service in Manchester Royal Infirmary re-audited the quality of the summaries completed for patients on discharge. The audit showed improvement on previous audits; achieving a high quality of discharge summary is important for the team to help GPs to provide patients with a safe and predictable transition from hospital.

- The Burns, Breast & Plastics service at Wythenshawe Hospital audited the outcomes for patients undergoing hand trauma surgery with local anaesthesia during the Covid-19 pandemic. As a result of this audit, the service was able to adopt a one-stop model of care with a streamlined, safe system of triage, assessment, treatment and discharge, with a package of care that was designed to ensure minimal face-to-face follow-up.

- A Trust wide audit was undertaken to assess compliance with the Trust Consent Policy standards. This identified some gaps in assurance which are being addressed by an action plan by each of our Hospitals. One of the actions is to do a further audit on the consent process for patients who lack capacity.

Clinical Research
MFT is at the cutting-edge of healthcare research, innovation and life sciences in the UK. Through clinical, commercial, and academic expertise and funding, we have developed an innovative infrastructure of partners to nurture clinical and commercial success and provide new innovations, products and services to our patients.

Throughout 2020/2021, the skills, expertise and experience of our staff, coupled with our world-class facilities and hosted Research and Innovation (R&I) infrastructure across Greater Manchester (GM), have been utilised to address the urgent priorities for research and innovation as part of a global, coordinated effort to enhance understanding and develop potential treatments for COVID-19.

Ensuring quality across MFT's Research and Innovation (R&I) infrastructure
Since the formation of MFT, we have continued to grow and benefit from our multiple research areas across our multiple clinical and community sites. This has enabled a greater patient cohort to take part in research studies and an accelerated adoption of research and innovation into routine clinical practice.

Led by Professor Neil Hanley, MFT Group Director for Research and Innovation (until October 2020), Professor Rick Body, MFT Group Director for Research and Innovation (Nov 2021-present) and Dr Iain McLean, Managing Director for Research and Innovation, R&I is conducted across MFT hospitals and local care organisations, covering general care and hospital specialisms, including; emergency care, respiratory disease, cancer, cardiology care, musculoskeletal disorders, genomics, women's health and pregnancy, children's health, eye and dental health.

This work is supported by more than 500 staff, including our integrated Research Office, Clinical and Non-Clinical Research Delivery Teams, and Innovation Team, along with our colleagues from MFT-hosted organisations, one of the largest National Institute for Health Research (NIHR) portfolios in the country, comprising:

- NIHR Manchester Biomedical Research Centre (BRC)
- NIHR Manchester Clinical Research Facility (CRF)
- NIHR Clinical Research Network Greater Manchester (CRN GM)
- NIHR Applied Research Collaboration Greater Manchester (ARC GM)

We also host Health Innovation Manchester (HInM), Greater Manchester's academic health science and innovation system which includes the Manchester Academic Health Science Centre (MAHSC). ARC GM is hosted within Health Innovation Manchester.

Led by MFT researchers, Manchester BRC and Manchester CRF have just completed successful fourth years of their current funding rounds, providing platforms for MFT research staff to conduct experimental medicine and transform scientific breakthroughs into diagnostic tests and life-saving treatments. This research has been more crucial than ever during the Covid-19 pandemic.

This varied infrastructure enables closer working with partner NHS trusts and academic institutions, providing greater opportunities to involve more people from across GM, and beyond, in research and innovation. It allows closer working with wider areas of the GM infrastructure to ensure we are meeting the holistic needs of our citizens, and positions GM as world-leader for research and innovation. This existing collaborative working process ensured GM was already well placed to respond to Covid-19 at a joined-up local level, and partnerships and practices have been further strengthened through the pandemic.

The governance of the NIHR infrastructure is under the remit of the GM NIHR R&I Oversight Board, chaired by MFT's Chief Executive Officer.

Our research, our innovation, our impact
We aim to give as many patients as possible the opportunity to influence, design, and take part in clinical studies and evaluations. They are regularly the first-in-the-UK, and often the first-in-the-world, to trial new treatments and procedures.

MFT Clinical research study portfolio 2020/21

- 19,314 participants recruited to research studies
- 1,030 clinical studies were active during the whole or some of this period, with 156 new studies started in 2020/2021*
- 113 external researchers were enabled to conduct research across MFT via research passports.

*This includes 40 Covid-19 research studies.

Highlights of our Covid-19 research include

- MFT in the top ten for recruitment to national Urgent Public Health studies
- MFT researchers led the CONDOR national programme for diagnostic testing
- MFT in the top 15 recruiters of the RECOVERY trial (the UK's flagship Covid-19 treatments trial) and the top recruiter for the pregnancy arm of the study
- MFT researchers co-authored international peer-reviewed paper on the use of dexamethasone as part of the RECOVERY study – the first treatment for Covid-19 and now part of standard care across the NHS
- MFT researchers co-authored paper on the results of the Public Health England ESCAPE study
- The first consented participant in the world to a leading Covid-19 vaccine trial
- First patient in the UK to receive convalescent plasma transfusion as part of the RECOVERY trial
- First UK patient recruited to the OSCAR Covid-19 treatment study
- Covid-19 research taken into communities, including schools

Next steps
As we continue our return back to business as usual after the Covid-19 pandemic, new ways of setting-up, delivering and recruiting to research studies will be explored and any lessons learned will be integrated into our approach, along with new opportunities to involve more people in research. This will include including a dedicated acute care research delivery team and a research pharmacy van, taking cutting-edge research and innovation into our communities.

In April 2021, North Manchester General Hospital officially joined MFT, enabling our R&I portfolio to grow further and increasing opportunities for people from the north of the city to be part of more research.

You can learn more about the impact of our research and innovation on pages 44-45, or follow us on Twitter (@MFT_Research).

Quality Indicators

In this report, you will see performance figures and, where possible, comparative information so that you can see how well we are doing alongside our other NHS colleagues.

		Data Source	2020/21	2019/20	National Average	Indicator Comments
Patient Safety Measures	Improvement in VTE risk assessments carried out	Trust Data	90.94%	94.84%	95.63% - Q1 2019/20 (not submitted since)	95% of all eligible patients to be risk assessed for VTE
	Reduction in hospital acquired grade 3 or 4 pressure ulcer	Trust Data	12	15	Not available	Trust goal is reduce the occurrence year on year
	Reduction in serious patient safety incidents resulting in actual Harm (those graded at level 4 or 5)	Trust Data	39 * (confirmed level 4 harm) 18 * (confirmed Level 5 harm)	51 (confirmed level 4 harm) 18 (confirmed Level 5 harm)	Not available	Reduction in Level 4 and 5 harm from 2019/20 to 2020/21
Clinical Effective-ness	Reduce hospital standardised mortality ratio (HSMR)	Dr Foster	88.36 (Mar 20-Feb 21)	88.23	100	National target <100
	Reduce Summary Hospital Mortality Indicator (SHMI)	HSCIC	94.05 (Jan-Dec 20)	96.61	100	National target <100
	Percentage of patient deaths with palliative care coded at either diagnosis or specialty level	Dr Foster	42.90%	44.10%	32.5%	-
Patient Experience Measures	Increase overall satisfaction expressed with pain management	National Audit Data (via Trust Board Assurance Report)	90.51%	90.87%	Not available	Trust goal is to improve patient satisfaction year on year
	Increase overall satisfaction expressed with fluids and nutrition provided	National Audit Data (via Trust Board Assurance Report)	84.21%	84.22%	Not available	Trust goal is to improve patient satisfaction year on year
	Increase overall satisfaction with the cleanliness of the ward or department	Trust Data	95.12%	93.53%	Not available	Trust goal is to increase and maintain cleanliness of ward department

*2020/21 Final level of harm may change following investigations

Performance of the Trust against National Priorities and Core Standards

		Data Source	2020/21	2019/20	National Average	Indicator Comments
Infection Control	Reduction of the number of Clostridium Difficile cases	Trust Data	162	145	Not available	Trust goal no more than 105 cases
	Clostridium Difficile Infection per 100,000 bed days in patients aged 2 or over	Trust Data	34.3	21.3	Not available	
	Reduction of the number of MRSA cases	Trust Data	14	8	Not available	Trust goal is 0 avoidable cases
Cancer Waiting Times	Maximum waiting time of two weeks from urgent GP referral to first out-patient appointment for all urgent suspected cancer referrals	Exeter System	75.92%	91.87%	90.8% (2019/20)	National %
	Maximum 31 days from decision to treat to start of treatment extended to cover all cancer treatments	Exeter System	91.55%	93.43%	96% (2019/20)	National %
	Maximum 31 days from decision to treat to start of subsequent treatment: Surgery	Exeter System	88.51%	94.22%	91.3% (2019/20)	National %
	Maximum 31 days from decision to treat to start of subsequent treatment: Chemotherapy	Exeter System	99.44%	98.83%	99.1% (2019/20)	National %
	62 -day wait for first treatment from urgent GP referral for all cancers	Exeter System	63.05%	73.14%	77.2% (2019/20)	National % (awaiting validation)
	62 -day wait for first treatment from NHS Cancer Screening Service referral	Exeter System	82%	88.15%	84.6% (2019/20)	National % (awaiting validation)
Referral To Treatment	18 weeks maximum wait from point of referral to treatment (RTT) (non-admitted patients)	UNIFY 2	66.68%	82.38%	87.60% (2018/19 – last available value)	Trust goal is to meet national target
	18 weeks maximum wait from point of referral to treatment (RTT) (admitted patients)	UNIFY 2	75.21%	75.22%	71.5% (2018/19 – last available value)	
	18 weeks maximum wait from patients not yet treated (RTT)	UNIFY 2	55.64%	74.43%	64.40%	
Urgent Care (Trust Total)	Maximum waiting time of 4 hours in A&E from arrival to admission, transfer or discharge	Trust Data-Board assurance	84.4%	82.5%	86.1%	Trust goal is to meet national target

		Data Source	2020/21	2019/20	National Average	Indicator Comments
Diagnosis waiting time	Maximum 6 week wait for diagnostic procedure	UNIFY 2	19.14%	6.79%	24.3%	

Glossary of Definitions

Care Quality Commission (CQC)	The CQC is the primary regulator of quality of care in the NHS
Care Provider	An organisation that cares for patients. Some examples of which are hospital, doctors, surgery or care home
Clinical	Relating to the care environment
Clostridium difficile	A type of infection. Symptoms of *C. difficile* infection range from mild to severe diarrhoea
Condition	An illness or disease which a patient suffers from
Core Values	A group of ideals which the Trust believes all staff should exhibit – the Trust values Pride, Respect, Empathy, Consideration, Dignity and Compassion.
Emergency Readmissions	Unplanned readmissions that occur within 28 days after discharge from hospital. They may not be linked to the original reason for admission
Harm	An unwanted outcome of care intended to treat a patient
Hospital Standardised Mortality Ratio (HSMR)	A system which compares expected mortality of patients to actual rate
Standardised Hospital Mortality Indicator (SHMI)	A system which compares expected mortality of patients to actual mortality (similar to HSMR)
Length of stay (LOS)	The amount of days that a patient spends in hospital
NHS Improvement (NHSI)	NHS I authorises and regulates NHS Foundation Trusts. The organisation works to ensure that all Trusts comply with the conditions they have signed up to and that they are well led and financially robust.
Mortality	Mortality relates to death. In health care mortality rates means death rate.
MRSA	Methicillin-resistant Staphylococcus aureus is a bacterium that is found on the skin and in the nostrils of many healthy people without causing problems. However, for some people it can cause infection that is resistant to a number of widely used antibiotics
Patient Safety Incidents	Is any unintended or unexpected incident which could have or did lead to harm for one or more patients receiving NHS care

Pressure Ulcer	Sometimes known as bedsores or pressure sores, are a type of injury that affect areas of the skin and underlying tissue, caused when the affected area of skin is placed under too much pressure. They can range in severity: Grade One – Discolouration of intact skin not affected by light finger pressure Grade Two – Partial thickness skin loss or damage Grade Three – Full thickness skin loss involving damage of subcutaneous tissue Grade Four – Full thickness skin loss with extensive destruction and necrosis (dead tissue)
Patient Reported Outcome Measures (PROMs)	Tools which help us measure and understand the quality of the service we provide for specific surgical procedures. They involve patients completing two questionnaires at two different time points, to see if the procedure has made a difference to their health.
Venous thromboembolism (VTE)	A blood clot formed within a vein
Vein	A blood vessel that carries blood towards the heart

5 Auditor's Report

Independent auditor's report to the Council of Governors of Manchester University NHS Foundation Trust

Report on the audit of the financial statements

Opinion on the financial statements
We have audited the financial statements of Manchester University NHS Foundation Trust ('the Trust') and its subsidiaries ('the Group') for the year ended 31 March 2021 which comprise the Trust and Group Statement(s) of Comprehensive Income, the Trust and Group Statement(s) of Financial Position, the Trust and Group Statement(s) of Changes in Taxpayers' and Others' Equity, the Trust and Group Statement(s) of Cash Flows, and notes to the financial statements, including the accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2020/21 as contained in the Department of Health and Social Care Group Accounting Manual 2020/21, and the Accounts Direction issued under the National Health Service Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and Group as at 31 March 2021 and of the Trust's and the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2020/21;
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's or the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information
The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We are also required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements
As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual 2020/21 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. The Accounting Officer is responsible for assessing each year whether or not it is appropriate for the Trust and Group to prepare financial statements on the going concern basis and disclosing, as applicable, matters related to going concern

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Trust and Group, we identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Accounting Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit;
- considering the risk of acts by the Trust and Group which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud;
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the NAO in April 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Matters on which we are required to report by exception
We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have not completed our work on the Trust's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in April 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2021. (*This work was subsequently completed - please see the Audit Certificate on page 190.*)

We will report the outcome of our work on the Trust's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Responsibilities of the Accounting Officer
The Chief Executive as Accounting Officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources
We are required by Schedule 10(1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice
In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2020/21;
- the other information published, together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared, is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice
We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2020/21;
- the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and Group and other information of which we are aware from our audit of the financial statements;
- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006;
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

We have nothing to report in respect of these matters.

Use of the audit report
This report is made solely to the Council of Governors of Manchester University NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit
We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. (*Please see the Audit Certificate on page 190 which confirms that this work is now complete.*)

Karen Murray, Key Audit Partner
For and on behalf of Mazars LLP
One St Peter's Square
Manchester M2 3DE 15 June 2021

Audit Completion Certificate issued to the Council of Governors of Manchester University NHS Foundation Trust for the year ended 31 March 2021

In our auditor's report dated 15 June 2021 we explained that the audit could not be formally concluded until we had completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness is its use of resources.

This work has now been completed.

No matters have come to our attention since 15 June 2021that would have a material impact on the financial statements on which we gave our unqualified opinion.

The Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.We have nothing to report in this respect.

Certificate We certify that we have completed the audit of Manchester University NHS Foundation Trust in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Karen Murray, Key Audit Partner

For and on behalf of Mazars LLP
One St Peter's Square
Manchester
M2 3DE

2 July 2021

6 Foreword to the Accounts

These Accounts for the period 1st April 2020 to 31st March 2021 have been prepared by Manchester University NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006, in the form in which NHS Improvement, the Independent Regulator of NHS Foundation Trusts, has, with the approval of the Treasury, directed.

These Accounts have been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual issued by NHS Improvement and the Group Accounting Manual issued by the Department of Health.

After making enquiries, the Directors have a reasonable expectation that the Trust and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing the Accounts.

Sir Michael Deegan CBE
Group Chief Executive
14th June 2021

7 Annual Accounts

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

		2020/2021	**2020/2021**	2019/2020	2019/2020
		Trust	**Group**	Trust	Group
	NOTE	**£000**	**£000**	£000	£000
Operating Income from Continuing Operations	**2**	**2,152,238**	**2,157,217**	1,825,716	1,826,692
Operating Expenses of Continuing Operations	**3**	**(2,147,261)**	**(2,153,697)**	(1,811,355)	(1,813,240)
Operating Surplus before finance costs		**4,977**	**3,520**	14,361	13,452
Finance Costs:					
Finance Income	**6**	**30**	**566**	1,072	1,666
Finance Expense - Financial Liabilities	**7**	**(40,784)**	**(40,784)**	(40,765)	(40,765)
Other (losses)	**11**	**(94)**	**(94)**	(921)	(921)
Public Dividend Capital Dividends Payable	**1.27**	**0**	**0**	(1,887)	(1,887)
Net Finance Costs		(40,848)	(40,312)	(42,501)	(41,907)
(Deficit) for the period prior to transfers by absorption		(35,871)	(36,792)	(28,140)	(28,455)
Net assets transferred to MFT upon transfers by absorption		**2,979**	**2,979**	660	660
(Deficit) for the period		(32,892)	(33,813)	(27,480)	(27,795)
Other Comprehensive Income					
Amounts that will not be reclassified subsequently to income and expenditure:					
Revaluations	**22**	**3,085**	**3,085**	4,016	4,016
Amounts that will subsequently be reclassified to income and expenditure:					
Other Reserve Movements	**SOCTE**	**3,859**	**3,859**	0	(1,107)
Total Other Comprehensive Income		6,944	6,944	4,016	2,909
Total Comprehensive (Expenditure) / Income for the Period		(25,948)	(26,869)	(23,464)	(24,886)

The Notes on Pages 5 to 41 form part of these Accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	NOTE	31 March 2021 Trust £000	31 March 2021 Group £000	31 March 2020 Trust £000	31 March 2020 Group £000
Non-Current Assets					
Intangible Assets	**9**	**4,665**	**4,665**	4,006	4,006
Property, Plant and Equipment	**10**	**642,394**	**642,458**	608,068	608,139
Investment Property	**11**	**0**	**3**	0	3
Investments	**11**	**1,498**	**23,800**	1,592	20,035
Trade and Other Receivables	**14**	**5,645**	**5,645**	6,329	6,329
Total Non-Current Assets		**654,202**	**676,571**	619,995	638,512
Current Assets					
Inventories	**13**	**21,892**	**21,892**	18,618	18,618
Trade and Other Receivables	**14**	**108,561**	**109,062**	116,658	115,177
Non-Current Assets Held for Sale	**12**	**210**	**210**	210	210
Cash and Cash Equivalents	**16**	**271,199**	**277,419**	133,281	140,840
Total Current Assets		**401,862**	**408,583**	268,767	274,845
Current Liabilities					
Trade and Other Payables	**17**	**(321,349)**	**(321,542)**	(188,253)	(188,583)
Borrowings	**18**	**(20,290)**	**(20,290)**	(20,173)	(20,173)
Other liabilities	**19**	**(35,084)**	**(36,778)**	(18,435)	(18,435)
Provisions	**20**	**(24,875)**	**(24,875)**	(13,417)	(13,417)
Total Current Liabilities		**(401,598)**	**(403,485)**	(240,278)	(240,608)
Total Assets less Current Liabilities		**654,466**	**681,669**	648,484	672,749
Non-Current Liabilities					
Trade and Other Payables	**17**	**(2,598)**	**(2,598)**	(2,599)	(2,599)
Borrowings	**18**	**(374,948)**	**(374,948)**	(391,455)	(391,455)
Other liabilities	**19**	**(3,817)**	**(3,817)**	(3,442)	(3,442)
Provisions	**20**	**(16,622)**	**(16,622)**	(14,635)	(14,635)
Total Non-Current Liabilities		**(397,985)**	**(397,985)**	(412,131)	(412,131)
Total Assets Employed		**256,481**	**283,684**	236,353	260,618
Financed by Taxpayers' and Others' Equity					
Public Dividend Capital	**SOCTE**	**258,929**	**258,929**	208,994	208,994
Revaluation Reserve	**22**	**63,492**	**63,492**	49,424	49,424
Income and Expenditure Reserve	**SOCTE**	**(65,940)**	**(65,940)**	(22,065)	(22,065)
Charitable Fund Reserves	**SOCTE**	**0**	**27,203**	0	24,265
Total Taxpayers' and Others' Equity		**256,481**	**283,684**	236,353	260,618

The accounts on pages 1 to 43 were approved by the Trust on the 14th June 2021 and signed on its behalf by

Sir Michael Deegan CBE Group Chief Executive

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY AND OTHERS' EQUITY

Year to 31 March 2021	NOTE	Public Dividend Capital Trust £000	Revaluation Reserve Trust £000	Income and Expenditure Reserve Trust £000	Charitable Fund Reserve Charity £000	Total Group £000
Taxpayers' and Others' Equity at 1 April 2020		**208,994**	**49,424**	**(22,065)**	**24,265**	**260,618**
Deficit for the year	**SOCI**	0	0	(32,892)	(921)	(33,813)
Fair value gains / (losses) on financial assets designated at fair value through Other Comprehensive Income	**SOCI**	0	0	0	3,859	3,859
Total Comprehensive Income	**SOCI**	**0**	**0**	**(32,892)**	**2,938**	**(29,954)**
Revaluations	**10.1**	0	3,085	0	0	3,085
Reserves Transfers	**22**	0	10,983	(10,983)	0	0
Public Dividend Capital (PDC) received	**31.1**	49,935	0	0	0	49,935
Taxpayers' and Others' Equity at 31 March 2021	**SOFP**	**258,929**	**63,492**	**(65,940)**	**27,203**	**283,684**

Year to 31 March 2020	NOTE	Public Dividend Capital Trust £000	Revaluation Reserve Trust £000	Income and Expenditure Reserve Trust £000	Charitable Fund Reserve Charity £000	Total Group £000
Taxpayers' and Others' Equity at 1 April 2019		**204,780**	**45,408**	**5,415**	**25,687**	**281,290**
Surplus for the year (excluding opening transfer by absorption)	**SOCI**	0	0	(27,480)	(315)	(27,795)
'Fair value gains / (losses) on financial assets designated at fair value through Other Comprehensive Income	**SOCI**	0	0	0	(1,107)	(1,107)
Total Comprehensive Income	**SOCI**	**0**	**0**	**(27,480)**	**(1,422)**	**(28,902)**
Revaluations	**10.1**	0	4,016	0	0	4,016
Public Dividend Capital (PDC) received	**31.1**	4,214	0	0	0	4,214
Taxpayers' and Others' Equity at 31 March 2020	**SOFP**	**208,994**	**49,424**	**(22,065)**	**24,265**	**260,618**

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2021

	NOTES	2020/2021 Trust £000	2020/2021 Group £000	2019/2020 Trust £000	2019/2020 Group £000
Cash Flows From Operating Activities					
Operating Surplus from Continuing Operations	SOCI	**4,977**	**3,520**	14,361	13,452
Operating Surplus		**4,977**	**3,520**	14,361	13,452
Non-Cash Income and Expense					
Depreciation and Amortisation	3	**28,660**	**28,667**	27,036	27,047
Net Impairments	3	**77,525**	**77,525**	47,547	47,547
Non-Cash Donations / Grants Credited to Income	2.1	**(5,321)**	**(1,032)**	(5,363)	(489)
(Increase) in Inventories	13	**(3,274)**	**(3,274)**	(2,156)	(2,156)
Decrease in Trade and Other Receivables	14	**8,781**	**6,507**	10,361	12,635
Increase in Trade and Other Payables	17	**112,561**	**112,561**	3,784	3,784
Increase in Other Liabilities	19	**17,024**	**17,024**	1,477	1,477
Increase in Provisions	20	**13,507**	**13,507**	3,414	3,414
Movements in charitable fund working capital		**0**	**1,849**	0	39
Net Cash Generated From Operations		**254,440**	**256,854**	100,461	106,750
Cash Flows From Investing Activities					
Interest Received	6	**30**	**30**	1,072	1,072
Sale of Financial Assets					
Purchase of Financial Assets					
Purchase of Intangible Assets	9	**(16,962)**	**(16,962)**	(841)	(841)
Purchase of Property, Plant and Equipment		**(96,362)**	**(96,362)**	(73,119)	(73,119)
Purchase of Equipment Transferred by Absorption	10	**0**	**0**	(576)	(576)
Receipt of Cash Donations to Purchase Capital Assets		**4,289**	**0**	5,363	489
NHS Charitable funds - net cash flows from investing activities		**0**	**536**	0	594
Net Cash Used In Investing Activities		**(109,005)**	**(112,758)**	(68,101)	(72,381)
Cash Flows From Financing Activities					
Public Dividend Capital Received	SOCTE	**49,935**	**49,935**	4,214	4,214
Movement in loans from the Department of Health and Social Care	18	**(3,925)**	**(3,925)**	(4,025)	(4,025)
Movement in other loans	18	**(802)**	**(802)**	(726)	(726)
Capital Element of Private Finance Initiative Obligations	18 & 26.3	**(11,614)**	**(11,614)**	(11,176)	(11,176)
Interest Paid		**(2,709)**	**(2,709)**	(2,841)	(2,841)
Interest Element of Private Finance Initiative Obligations		**(38,181)**	**(38,181)**	(37,977)	(37,977)
Public Dividend Capital Dividends Paid		**(221)**	**(221)**	(1,111)	(1,111)
Net Cash Used In Financing Activities		**(7,517)**	**(7,517)**	(53,642)	(53,642)
Increase/(Decrease) in Cash and Cash Equivalents	16	**137,918**	**136,579**	(21,282)	(19,273)
Cash and Cash Equivalents at Start of Financial Period (1 April 2020)	16	**133,281**	**140,840**	154,563	160,113
Cash and Cash Equivalents at End of Financial Period (31 March 2021)	16	**271,199**	**277,419**	133,281	140,840

Notes to the Accounts - 1. Accounting Policies and other information

1.1 Basis of Preparation

NHS Improvement (NHSI), in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2020/21 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust and the Group (see Note 1.4 below in respect of Consolidation and Group Accounting), for the purpose of giving a true and fair view, has been selected. The particular policies adopted by the Trust and the Group are described below. They have been applied consistently in dealing with items considered material in relation to these Accounts.

1.2 Accounting Convention

These Accounts have been prepared under the historical cost convention, modified to account for the revaluation of land, buildings and investments, by reference to their most recent valuations. Plant, equipment and intangible assets are held at depreciated historic cost. The Accounts are presented rounded to the nearest thousand pounds.

1.3 Going Concern

After making enquiries, the Directors have a reasonable expectation that the Trust and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing these Accounts.

The Trust has robust processes relating to the Cashflow and has included in the financial plans for 2021/22 submitted to NHSI a cashflow which demonstrates sufficient cash balances.

The Trust has received confirmation from NHSI of the funding and cashflow processes to support the Trust while dealing with the COVID-19 pandemic. This includes arrangements for earlier receipt of cash and also top up funding to cover the increased costs due to the pandemic, ensuring the Trust does not have any loss of income during the future period.

Following this confirmation from NHSI, the Trust has reviewed the Going Concern status and the Trust continues to operate on this basis.

1.4 Consolidation of Subsidiaries and Group Accounting

The Trust is the corporate trustee to Manchester University NHS Foundation Trust Charity (MFT Charity). The MFT Charity is a charity registered (No.1049274) with the independent regulator, the Charity Commission, to whom it is accountable. The Trust has assessed its relationship to the Charity and determined it to be a subsidiary, the Trust has the sole power to govern the financial and operating policies of the Charity, so as to obtain benefits from the Charity's activities for itself, its patients and its staff.

The MFT Charity's statutory accounts are prepared to 31 March 2021 in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard 102 (FRS 102). On consolidation, necessary adjustments are made to the charity’s assets, liabilities and transactions as follows:

- The Charity's individual statements and notes to the Accounts are adjusted firstly for one difference in Accounting Policy. This relates to expenditure accounted for on a commitment basis which is not permitted under the Trust's and the Group's Accounting Conventions, as set out above; and

- The Charity's individual statements and notes to the Accounts are adjusted in respect of transactions and balances which have taken place between the Trust and the Charity. These intra company balances and transactions are eliminated on consolidation and the resulting figures for Income and Expenditure; gains and losses; assets and liabilities; reserves; and cash flows, are then consolidated with those of the Trust, to form the Group Accounts. The classification of the investments follow the accounting standard IFRS9 and they are classified as fair value through through Other Comprehensive Income instruments.

Notes to the Accounts - 1. Accounting Policies (Continued)

These Accounting Policies apply to both the Trust and the Group. The MFT Charity's latest Audited Accounts, which have been prepared in accordance with the UK Charities Statement of Recommended Practice (SORP)*, can be obtained from the Charity Commission website. Accounts for the financial year ending 31 March 2021 have also been prepared by the Charity, and will be submitted to the Charity Commission.

The MFT Charity is based at the following address:-
Citylabs, Maurice Watkins Building, Nelson Street, Manchester. M13 9NQ.

As a subsidiary of the Trust, the Charity is able to transfer funds to the Trust, providing that this funding is over and above what the NHS would normally provide, and is in line with the objectives of the Charity.

The MFT Charity is the Trust's sole subsidiary. Its financial performance is detailed in notes 32 and 33 to the accounts.

1.5 Acquisitions and Discontinued Operations

Activities are considered to be "acquired" only if they are taken on from outside the public sector. Activities are considered to be "discontinued" only if they cease entirely. They are not considered to be "discontinued" if they transfer from one NHS body to another (see also Note 1.33). The Trust and the Group did not have any acquisitions or discontinued operations during the year to 31 March 2021.

1.6 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Trust’s and the Group's Accounting Policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, and for other areas, where precise information is not readily apparent from any source. The estimates and associated assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ from those estimates, and the estimates and underlying assumptions are continually reviewed and updated. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in future periods, as well as that of the revision, if required.

Key Judgements and Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:-

Valuation of Land and Buildings

The valuation of the Trust's land and buildings is subject to estimation uncertainty. Independent valuers provided advice on valuations, as at 31 March 2021, of the Trust's and the Group's land and building assets (estimated financial value and estimated remaining useful life), applying a Modern Equivalent Asset method of valuation for an optimised building and alternate site with regards to land. This is based on a theoretical configuration of facilities on the Trust main hospital sites, providing a more efficient and compact design. The Trust considers that in line with the GAM this is an appropriate basis. More detail of the desktop valuation and the carrying amounts of the Trust's Land and Buildings is included in note 10.

The valuation exercise was carried out in February 2021 with a valuation date of 31 March 2021, applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2017 (‘Red Book’).

Of the £528m net book value of land and buildings subject to valuation, £512m relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets.

An increase of 1% in the land and building values would result in a net book value of £533m and an increase of 5% would result in a net book value of £554m

It is possible that the COVID-19 pandemic will affect the Trust’s future assessment of what would be required in a modern equivalent asset, but as yet there is insufficient evidence to affect the assumptions used in the valuation.

Financial value of provisions for liabilities and charges

The Trust and the Group make financial provisions for obligations of uncertain timing or amount at the date of the Statement of Financial Position. These are based on estimates, using as much relevant information as is available, at the time the financial statements are prepared. They are reviewed to confirm that the values included in the financial statements best reflect the current relevant information, and where necessary, the values of the provisions are amended. More detail on this area is given in Note 1.21.

1.7 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability in note 19.

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

Due to the Covid-19 Pandemic in 2020/21 a new finance regime was introduced, this resulted in the Trust receiving £174.079m Reimbursement and Top Up funding. For the period 1st April to 30th September 2020, the Trust received top-up funding and for the period from 1st October 2020 to 31st March 2021 the Trust received funding for Nightingale NorthWest Hospital (please see details below) and also vaccine and other support funding. The top-up funding was introduced to support the finance regime allocations in recognition of increased costs as a consequence of COVID-19. This income is detailed in note 2.1.

The Nightingale Northwest Hospital was built and opened over a 2 week period in April 2020 in response to the COVID pandemic. This temporary hospital was created within the Manchester Central Convention Centre in order to provide additional bed capacity to respond to an expected surge in hospital admissions. Closure of the Hospital and its subsequent decommissioning was announced in March 2021. During 2020/21 the Hospital was operational to clinical admissions for 9 of the 12 months, being on standby for the other 3 months. MFT was asked to host the Nightingale NorthWest Hospital and as a result the majority of financial transactions were processed by the Trust and are included in these financial statements. Reimbursement and Top-up funding detailed above covered £38.9m costs (£16.1m related to the initial setup, £21m running costs and £1.8m decommissioning costs, these costs are included in note 3).

Other income recognised due to the COVID-19 pandemic relates to donated Personal Protection Equipment (PPE) from the DHSC, this has been recognised as notional income of £28.123m in note 2.1.

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases, it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Income from the sale of Non-Current Assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.8 Employee Benefits

1.8.1 Short-Term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from the employee. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

1.8.2 Pension Costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes or the National Employment Savings Trust (NEST). Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions or NEST website at:-
www.nhsbsa.nhs.uk/pensions and https://www.nestpensions.org.uk.

Notes to the Accounts - 1. Accounting Policies (Continued)

Both NHS Pension Schemes are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting Valuation - NHS Pension Scheme

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

Employer's pension cost contributions for all schemes are charged to operating expenses as and when they become due. In 2020/2021 these contributions amounted to £144.33m (2019/2020: £130.61m), as detailed in note 4. The estimated level of contributions for the full financial year 2021/22 equate to £135.50m.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.9 Expenditure on Other Goods and Services

Expenditure on goods and services is recognised when, and to the extent that, they have been received, and is always measured (at least initially) at the cost of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a Non-Current Asset, e.g. property or equipment (see Note 1.11 below).

During this financial year 2020/21, additional costs have been incurred due to the Covid-19 pandemic and the Trust hosting the NorthWest Nightingale Hospital. The cost are included in note 3 and matched income funding has been received which is detailed in note 2.1 categorised as Re-imbursement and Top Up funding of £174.079m. Cost relating to the NorthWest Nightingale Hospital totalled £38.9m comprising of £16.1m related to the initial setup, £21m running costs and £1.8m decommissioning cost.

Other expenditure recognised due to the COVID-19 pandemic relates to donated Personal Protection Equipment (PPE) from the DHSC, this has been recognised as notional expenditure of £28.123m in note 3. This cost has been funded by the notional income detailed in note 2.1.

1.10 Property, Plant and Equipment

Recognition

Property, plant and equipment is capitalised if:-

- It is held for use in delivering services or for administrative purposes;
- It is probable that future economic benefits will flow to, or service potential will be supplied to, the Trust or the Group;
- It is expected to be used for more than one financial year;
- The cost of the item can be measured reliably; and
- The item has a cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates, and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward, unit, project or service, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are grouped into categories based on similar asset lives, and the groups (categories) are treated as separate assets and depreciated over their own individual useful economic lives.

Measurement

Valuation

All property, plant and equipment is measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets held for their service potential are measured subsequently at current value in existing use.

Notes to the Accounts - 1. Accounting Policies (Continued)

Land and buildings used for the Trust's services are stated in the Statement of Financial Position at their revalued amounts, being the current value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are undertaken with sufficient regularity to ensure that carrying amounts are not materially different to those that would be determined at the end of the reporting period. Current values are determined as follows:

Land is valued on an alternate site basis using market value for existing use. The area of this alternate site is of sufficient size for the optimally designed building using the optimal site method referred to below.

Specialised operational buildings are held at depreciated replacement cost and are measured on a modern equivalent asset basis. In agreement with the District Valuer, the NHS Foundation Trust has applied an 'optimal site' valuation which recognises any efficiencies that could be obtained if the site were to be rebuilt, whilst allowing the current level of service provision to be maintained. The valuation of buildings managed and maintained by the Trust's PFI partner exclude VAT. Operational buildings are considered for impairment.

Property, Plant and Equipment assets are tested for impairment to ensure the carrying value does not exceed the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at current value in existing use. Assets are revalued, and depreciation commences, when they are brought into use.

Equipment assets are carried at Depreciated Historic Cost, as this is not considered to be materially different from current value in existing use.

Subsequent Expenditure

Where subsequent expenditure enhances an asset beyond its original specification, and it is probable that additional future economic benefits or service potential will flow to the Trust and the Group, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to a specification appropriate for its economic life, the expenditure is treated as a revenue expense.

Revaluation gains and losses

An increase arising on revaluation is taken to the Revaluation Reserve, except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to the Statement of Comprehensive Income (SoCI), to the extent of the decrease previously charged there. A revaluation decrease is recognised as an Impairment charged to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to operating expenditure. Gains and losses recognised in the Revaluation Reserve are reported as "Other Comprehensive Income" in the SoCI.

Impairments

In accordance with the GAM, impairments which are due to a loss of economic benefits or service potential in the asset are also charged to operating expenses. A compensating transfer is made from the Revaluation Reserve to the Income and Expenditure Reserve of an amount equal to the lower of:-

(i) The impairment charged to operating expenses; or

(ii) The balance in the Revaluation Reserve attributable to that asset before the impairment.

An impairment which arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances which gave rise to the loss are themselves reversed. Where, at the time of the original impairment, a transfer was made from the Revaluation Reserve to the Income and Expenditure Reserve, an amount is transferred back to the Revaluation Reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses, and reversals of "other impairments" as revaluation gains.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.11 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's and the Group's business, or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and the Group; where the cost of the asset can be measured reliably; and where the cost is at least £5,000.

Expenditure on research; internally-generated goodwill; brands; mastheads; publishing titles; customer lists and similar items are not capitalised: they are recognised as Operating Expenses in the period in which they are incurred.

Expenditure on development is only capitalised where:-

- the project is technically feasible to the point of completion, and will create an Intangible Asset;
- the Trust and the Group intend to complete the asset and sell or use it;
- the Trust and the Group have the ability to sell or use the asset;
- the economic or service delivery benefits can be demonstrated;
- the Trust and the Group have adequate resources to complete the development;
- and the development costs can be reliably measured.

Software

Software which is integral to the operation of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, for example application software, is capitalised as an Intangible Asset.

Measurement

Intangible Assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point at which it is capable of operating in the manner intended by management. Subsequently, Intangible Assets are measured at current value in existing use. Revaluation Gains, Losses and Impairments are treated in the same manner as for Property, Plant and Equipment (see Note 1.10). The amount initially recognised for internally-generated Intangible Assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated Intangible Asset can be identified, the expenditure in question is written off through the Statement of Comprehensive Income in the period in which it is incurred. Internally-developed software is held at Historic Cost to reflect the opposing effects of increases in development costs, versus technological advances.

1.12 Depreciation, Amortisation and Impairments

Freehold land is not depreciated, as it is considered to have an indefinite life.

Property, Plant and Equipment which has been reclassified as "Held for Sale" ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Otherwise, depreciation and amortisation are charged to write off the cost or valuation, less any residual value, of Property, Plant and Equipment and Intangible Non-Current Assets, over their estimated useful lives, in a manner which reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust and the Group expect to obtain economic benefits or service potential from the asset. This life is specific to the Trust and the Group, and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed periodically, with the effect of any changes being recognised on a prospective basis. Note 10.3 to these Accounts gives details of the Useful Economic Lives of the Trust's and the Group's Property, Plant and Equipment assets.

Where assets are non-operational for a short period while management decide on their future use, they are retained at their current valuation, although depreciation ceases from the date they are taken out of use.

Finance leased assets are depreciated over the shorter of the useful economic life or the lease term, unless the Trust and the Group expect to acquire an asset at the end of its lease term, in which it is depreciated in the same manner as owned assets above.

Notes to the Accounts - 1. Accounting Policies (Continued)

If there has been an impairment loss, the asset is written down to its recoverable amount, with the loss charged to the Revaluation Reserve to the extent that there is a balance on the Reserve for the asset and, thereafter, to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but capped at the amount which would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there, and thereafter to the Revaluation Reserve.

1.13 Donated Assets

Donated Non-Current Assets are capitalised at their fair value on receipt, with the corresponding receipt credited to the Statement of Comprehensive Income, in accordance with the principles of IAS 20, unless the donor has imposed a condition that the future economic benefits embodied in the donation are to be consumed in a manner specified by them. In this case, the donation is deferred within liabilities (note 19), and carried forward to future financial years, to the extent that the condition has not yet been met. Donated Assets are subsequently valued, depreciated and impaired as described above for purchased assets.

1.14 Government and Other Grants

Government Grants are grants from Government bodies, other than income from NHS bodies for the provision of services. Revenue Grants are reported through the Statement of Comprehensive Income to match the expenditure incurred. Capital Granted Assets are treated in the same manner as Donated Assets (as outlined above), and in accordance with the principles of IAS 20.

In 2020/21 this includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Note 2.1 and Note 10.1 details the £1.032m of donated / granted equipment from DHSC for COVID response. Ventilators for the trust is the majority of this equipment.

1.15 Surplus Non-Current Assets - Held for Sale or to be Scrapped or Demolished

A Non-Current Asset which is surplus, with no plan to bring it back into use, is valued at Fair Value under IFRS 13, if it does not meet the requirements of IAS 40 in respect of investment properties, or IFRS 5 in respect of non-current assets held for sale.

In general, the following conditions must be met at the Statement of Financial Position date, for an asset to be classified as Held for Sale:-

- Management is committed to a plan to sell;
- The asset is available for immediate sale in its present condition;
- The sale is highly probable; and
- The asset is being actively marketed for sale at a price reasonable in relation to its Fair Value.

Following reclassification, Assets Held for Sale are measured at the lower of their existing carrying amount, and their "Fair Value less costs to sell". Assets are derecognised when all material sale contract conditions are met.

Property, Plant and Equipment that is to be scrapped or demolished does not qualify for recognition as Held for Sale. Instead, it is retained as an operational asset and its economic life is adjusted. Such assets are derecognised when they are scrapped or demolished.

1.16 Leases

The Trust considers the leases it has entered into in line with IAS 17 Leases. Under IAS 17, leases of property, plant and equipment are classified as either finance leases or operating leases, according to their characteristics as set out in the standard. As well as this, in applying IFRIC 4 - determining whether an arrangement contains a lease, collectively significant rental arrangements that do not have the legal status of a lease but convey the right to use an asset for payment are accounted for under the Trust's lease policy, where fulfilment of the arrangement is dependent on the use of specific assets.

Finance leases

The Trust assesses the terms of each individual lease agreement to determine whether substantially all the risks and rewards of ownership are borne by the Trust.

Where substantially all of the risks and rewards of ownership of a leased asset are borne by the Trust or the Group, the asset is recorded as Property, Plant and Equipment, and a corresponding liability is recorded. The value at which both the asset and the liability are recognised is the lower of the Fair Value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of return on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of Property, Plant and Equipment.

The annual rental is split between the repayment of the liability and a finance cost. This annual finance cost is calculated by applying the implicit interest rate to the outstanding liability, and is charged to finance costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the arrangement is discharged or cancelled, or when it expires.

Notes to the Accounts - 1. Accounting Policies (Continued)

Operating Leases

Leases other than Finance Leases are regarded as Operating Leases, and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are treated as a reduction to the lease rentals, and reflected in operating expenses over the life of the lease.

Leases of Land and Buildings

Where a lease is for land and buildings, the land component is separated from the building component, and the classification for each is assessed separately. Leases of land are treated as Operating Leases.

1.17 Private Finance Initiative (PFI) Transactions

The Treasury has determined that public bodies shall account for infrastructure PFI schemes, where the public body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement, as service concession arrangements, following the principles and requirements of IFRIC 12. Therefore, in accordance with IAS 17, the Trust and the Group recognise their PFI asset as an item of Property, Plant and Equipment, together with a corresponding finance lease liability to pay for it.

The annual PFI unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:-

a) Payment for the fair value of services received - recognised in operating expenses;

b) Payment for the PFI asset, including finance costs (charged to the Statement of Comprehensive Income) and, if applicable, prepayments for assets not yet in operational use; and

c) Payment for the replacement of components of the asset during the contract, known as "lifecycle replacement".

Services Received

The fair value of services received in the year is recorded under the relevant expenditure headings within operating expenses.

PFI Assets

The Trust's PFI assets are recognised as Property, Plant and Equipment when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at current value, which is kept up to date in accordance with the Trust's and the Group's approach for each relevant class of asset, in accordance with the principles of IAS 16.

PFI Liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the current value of the PFI assets, and is subsequently measured as a Finance Lease Liability in accordance with IAS 17.

The element of the annual Unitary Payment which is allocated as a Finance Lease Rental is applied to meet the annual finance cost, and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease, in accordance with IAS 17. This amount is not included in the minimum lease payments, but is instead treated as contingent rent, and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability, and is therefore disclosed as a contingent finance cost in the Statement of Comprehensive Income.

Notes to the Accounts - 1. Accounting Policies (Continued)

Lifecycle Replacement

An element of the annual unitary payment is allocated to lifecycle replacement, and is pre-determined for each year of the contract, by reference to the operator's planned programme of lifecycle replacement.

1.18 Inventories

Inventories (Stocks) are valued at the lower of cost and net realisable value, with the exception of :-

a) Pharmacy inventories - these are valued at average cost, and

b) Inventories recorded and controlled via the Materials Management System, these are valued at current cost.

This is considered to be a reasonable approximation to net realisable value due to the high turnover of stocks.

In 2020/21, the Trust received inventories including personal protective equipment (PPE) from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

1.19 Cash and Cash Equivalents

Cash is defined as cash in hand, and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments which mature in 3 months or less from the date of acquisition, and which are readily convertible to known amounts of cash with insignificant risk of change in value.

1.20 Contingencies

A Contingent Asset is a possible asset which arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust or the Group. Contingent Assets are not recognised in the Statement of Financial Position, but are disclosed at Note 21.1 to these Accounts, where an inflow of economic benefits is possible.

Contingent Liabilities are similarly not recognised in the Statement of Financial Position but, as with Contingent Assets above, are disclosed in Note 21.1 to these Accounts, unless the probability of a transfer of economic benefits is remote. Contingent Liabilities are defined as:-

a) Possible obligations arising from past events, whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Trust's or the Group's control; or

b) Present obligations arising from past events, but for which it is not probable that a transfer of economic benefits will arise, or for which the amount of the obligation cannot be measured with sufficient reliability.

Where the time value of money is material, Contingencies are disclosed at their present value.

1.21 Provisions

The Trust and the Group provide for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date, on the basis of the best possible reliable estimate of the expenditure and when it is considered probable that there will be a future outflow of resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using one or more of the Discount Rates published and mandated by HM Treasury.

In 2020/2021 the only such Discount Rate applicable to the Trust or the Group was minus 0.95% (2019/2020:minus 0.50%) for Post Employment Benefits - specifically the costs of Pensions and Injury Benefits, for which the Trust and the Group are obliged to pay.

NHS Resolution (NHSR) operates a risk pooling scheme (the Clinical Negligence Scheme for Trusts or CNST), under which the Trust and the Group pay an annual contribution to the NHSR which, in return, settles all Clinical Negligence Claims. Although NHSR is administratively responsible for all Clinical Negligence cases, the legal liability remains with the Trust and the Group. The total value of Clinical Negligence provisions carried in its Accounts by the NHSR, on behalf of the Trust and the Group, is disclosed at Note 20.2.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.22 Non-Clinical Risk Pooling

The Trust and the Group participate in the Property Expenses Scheme, and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust and the Group pay an annual contribution to the NHSR, and in return receive assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims, are charged to operating expenses as and when the liability to make payment arises.

Other commercial insurance held by the Trust and the Group includes that for (building) contract works, motor vehicles, personal accidents, and group travel (for clinical staff required to work off-site, as well as overseas travel). The annual premium and any excesses payable are charged to Operating Expenses as and when the liability arises.

1.23 Financial Assets and Financial Liabilities

Recognition

Financial assets and financial liabilities arise where the Trust or Group is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by Office of National Statistics.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Classification and Measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets are classified as subsequently measured at amortised cost, fair value through profit and loss or fair value through other comprehensive income.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan. In the current financial year the interest revenue is minimal as HM Treasury are no longer paying interest on the funds held in the Government Bank Accounts where the majority of the Trust's cash is deposited.

Notes to the Accounts - 1. Accounting Policies (Continued)

Financial assets and financial liabilities at fair value through profit and loss

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

The Trust holds equity investments as financial assets measured at fair value through profit or loss. For those equity investments that are not quoted, cost has been applied as an appropriate estimate of fair value on the basis that there is a wide range of possible fair value measurements for these unquoted investments - as such, cost is the best and most reliable estimate of fair value of the investments in the absence of a quoted market value. For those investments that are quoted, the fair value of the equity investment is the share price at the balance sheet date.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

The Trust has designated the equity investments that are held by the Charity as financial assets held at fair value through other comprehensive income.

Impairment of Financial Assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through Other Comprehensive Income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Derecognition of Financial Assets and Liabilities

All Financial Assets are derecognised when the rights to receive cash flows from the assets have expired, or the Trust and the Group have transferred substantially all of the risks and rewards of ownership. Financial Liabilities are derecognised when the obligation is discharged or cancelled, or it expires.

1.24 Value Added Tax

Most of the activities of the Trust and the Group are outside the scope of VAT and, in general, output tax does not apply, and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category, or included in the capitalised purchase cost of Non-Current Assets. Where output tax is charged or input tax is recoverable, the transactions in question are recorded net of VAT in these financial statements and this applies to assets and liabilities as well as expenses.

Accounting Policies (Continued)

1.25 Foreign Currencies

The Trust's and the Group's functional and presentational currency is Sterling. The Trust and the Group do not record or trade in any transactions denominated in a foreign currency.

1.26 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised as assets in these financial statements, since the Trust and the Group have no beneficial interest in them. However, details of Third Party Assets held by the Trust and the Group are given in Note 16, in accordance with the requirements of the Treasury's Financial Reporting Manual (FReM).

1.27 Public Dividend Capital

Public Dividend Capital (PDC) represents Taxpayers' Equity in the Trust and the Group. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an Equity Financial Instrument within the meaning of IAS 32. The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge reflecting the cost of capital utilised by the Trust, is payable as Public Dividend Capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as:-

● the average of the opening and closing value of all liabilities and assets (excluding donated assets, COVID 19 assets COVID 19 PDC, HIP2 Assets under construction, Healthier Together assetsand any PDC dividend balance receivable or payable).

● less the average daily net cash balances held with the Government Banking Service (excluding balances held in GBS accounts that relate to short-term working capital facility).

● less the bonus Provider Sustainability Fund (PSF), (previously Sustainability and Transformation Funding) Receivable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

Where the average of Net Relevant Assets is negative, no Dividend will be payable.

1.28 Losses and Special Payments

Losses and Special Payments are items which Parliament would not have contemplated when it agreed funds for the Health Service, or passed legislation. By their nature, they are items which ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way in which individual cases are handled.

Losses and Special Payments are charged to the relevant functional headings in operating expenditure, Note 3 in these financial statements, on an accruals basis. However Note 30.1 to these financial statements, disclosing the Trust's and the Group's Losses and Special Payments, is compiled directly from the Losses and Compensations Register, which reports financial amounts on an accruals basis, with the exception of provisions for future losses.

1.29 Corporation Tax

Under s519A ICTA 1988 Manchester University NHS Foundation Trust is regarded as a Health Service body, and is therefore exempt from taxation on its Income and Capital Gains. Section 148 of the 2004 Finance Act provided the Treasury with powers to disapply this exemption. Accordingly the Trust and the Group are potentially within the scope of Corporation Tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits exceed £50,000 per annum.

Activities such as staff and patient car parking and sales of food are considered to be ancillary to the core healthcare objectives of the Trust and the Group (and not entrepreneurial), and therefore not subject to Corporation Tax.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.30 Accounting Standards Which Have Been Issued But Have Not Been Adopted

There are no Accounting Standards issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC), which are applicable to the Trust and/or the Group which have been adopted by the Department of Health and Social Care Group Accounting Manual (GAM), but which have not been adopted within these Accounts. However, the following Standards have been issued or amended by the IASB or IFRIC up to the date of publication of the GAM, but have not yet been adopted by the GAM, and therefore also not yet adopted by the Trust and/or the Group:-

Change Published	Financial Year for Which the Change First Applies	Impact
IFRS 16 Leases	HM Treasury have revised the implementation date for UK public sector to 1 April 2022	The exact impact of applying the standard in 2022/23 is currently not available. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.
IFRS 17 Insurance Contracts	Application required for accounting periods beginning on or after 1 January 2023: early adoption is not permitted.	Work has not yet started to understand the impact of this standard across the NHS. At this point in time, IFRS 17 is not expected to have any significant impact on the financial results of the Trust.

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for all leases. The standard also requires the remeasurement of lease liabilities after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2022/2023, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently not available. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

1.31 Accounting Standards Issued Which Have Been Adopted Early

No new accounting standards or revisions to existing standards have been early adopted in 2020/2021 by the Trust or the Group.

1.32 Operating Segments

Under IFRS 8, the Trust and the Group are required to disclose financial information across significant Operating Segments, which reflect the way the management runs the organisation. A significant segment is one which:-

i) Represents 10% or more of the income or expenditure of the entity; or
ii) Has a surplus or deficit which is 10% or more of the greater, in absolute amount, of the combined surplus of all segments reporting a surplus, or the combined deficit of all segments reporting a deficit; or
iii) Has assets of 10% or more of the combined assets of all Operating Segments.

Significant central management and support services underpin all Trust activities, and the majority of activities are similar in nature. Research and Training (both less than 10% of turnover) similarly support the Trust's activities (with Training being integral to the provision of healthcare). The Trust therefore considers itself to operate with one segment, being the provision of healthcare services. This view is further supported by the fact that routine Finance Reports are presented to the Board on a Trust-wide basis, analysed by Pay, Non-Pay and Capital.

With regard to the Trust's subsidiary, the Manchester University NHS Foundation Trust Charity, for Group Accounting purposes the charity is considered to be a separate operating segment. The financial results of the Charity are separately disclosed in Note 32 and 33 to these financial statements, and these statements meet the IFRS 8 requirements for operating segment disclosures.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.33 Transfers of Functions to and From Other NHS Bodies: Transfers by Absorption

For functions which were transferred to the Trust and/or the Group from another NHS body, the assets and liabilities trans recognised in these financial statements as at the date of transfer. The assets and liabilities were not adjusted to Fair Va recognition. The net gain or loss arising, corresponding to the net assets or liabilities transferred, was recognised within the S Comprehensive Income under "Gain/(Loss) From Transfers by Absorption". Any adjustments required to align acquired assets to the Trust's and the Group's Accounting Policies were applied after initial recognition, and taken directly to Taxpayers' Equity.

For Non-Current Assets transferred to the Trust and the Group from other NHS bodies, the cost and a depreciation/amortisation balances, from the transferring entity's financial statements, were preserved on recognition in the Tru Group's statements. Where the transferring body recognised Revaluation Reserve balances attributable to the assets in q Trust and the Group made a transfer from their Income and Expenditure Reserve, to the Revaluation Reserve, to maintain tr within Public Sector Accounts.

For functions which the Trust or the Group transferred to another NHS body, the assets and liabilities transferred were dereco the financial statements as at the date of transfer. The net loss or gain, corresponding to the net assets or liabilities trans recognised as Non-Operating Expenses or Income, and as above was titled a Gain or Loss from Transfer by Absorption, in th of Comprehensive Income. Any Revaluation Reserve balances attributable to assets derecognised were transferred to the Expenditure Reserve.

2 Operating Income

2.1 Operating Income (by Type)	2020/2021 Trust £000	2020/2021 Group £000	2019/2020 Trust £000	2019/2020 Group £000
Income from Activities				
Block contract / system envelope income (a)	**1,318,575**	**1,318,575**	0	0
Payment by Results Income (a)	**0**	**0**	1,201,712	1,201,712
High cost drugs income from commissioners	**181,070**	**181,070**	156,070	156,070
Other NHS Clinical Income	**9,318**	**9,318**	9,780	9,780
Community Services Income (b)	**147,190**	**147,190**	124,313	124,313
Provider Sustainability Fund income (c)	**0**	**0**	27,937	27,937
Reimbursement and top up Funding (d) ^	**174,079**	**174,079**	0	0
Private Patient Income	**2,093**	**2,093**	3,014	3,014
Additional pension contribution (e)	**43,929**	**43,929**	39,668	39,668
Other Clinical Income (f)	**27,207**	**27,207**	11,969	11,969
Total Income from Activities	**1,903,461**	**1,903,461**	1,574,463	1,574,463
Other Operating Income				
Research and Development	**62,579**	**62,579**	61,425	61,425
Education and Training	**66,880**	**66,880**	69,006	69,006
Non-Patient Care Services to Other Bodies	**30,759**	**30,759**	52,268	52,268
Income in respect of employee benefits accounted on a gross basis	**8,197**	**8,197**	7,111	7,111
Notional Income from Apprentiship Levy	**2,681**	**2,681**	2,023	2,023
Receipt of capital grants and donations	**4,289**	**0**	5,363	489
Donated Equipment from DHSC for COVID response	**1,032**	**1,032**	0	0
Charitable and Other Contributions to Expenditure	**460**	**460**	604	553
Rental revenue from operating leases	**1,816**	**1,816**	1,740	1,740
Contributions to expenditure - receipt of equipment donated from DHSC for COVID response below capitalisation threshold (g)	**28,123**	**28,123**	0	0
Other Income (h)	**41,962**	**41,962**	51,713	49,842
Other - Charity	**0**	**9,268**	0	7,772
Total Other Operating Income	**248,777**	**253,756**	251,253	252,229
Total Operating Income	**2,152,238**	**2,157,217**	1,825,716	1,826,692

Commissioner Requested Services

The Trust is required by its Commissioners to provide services which ensure service users have continued access to vital NHS services, known as Commissioner Requested Services (CRS). CRS in 2020/21 amounted to £1.656 billion or 87% of Income from Activities (2019/2020: £1.492 billion and 95%). CRS is arrived at by excluding Provider Sustainability Fund income (previously Sustainability and Transformation Funding), Private Patient Income and Other Clinical Income from Total Income Received from Activities.

(a) As a result of the COVID-19 pandemic a new finance regime was introduced for NHS commissioners/providers in 2020/21, This has resulted in block payments being made to the Trust rather than Payment By Results methodology being used as in previous years.

(b) Community Services income now includes the full year effect of Trafford Community service which has been hosted by MFT from the 1st October 2019. This has resulted in a full year increase of income of £17m.

(c) In the previous financial year 2019/20 £27.9m of Provider Sustainability Funding was allocated to the Trust. This was the final year of this funding allocation with the Trust reporting a Nil value for 2020/21.

(d) The Trust has received £174.079m Reimbursement and Top Up funding. This is 1st April to 30th September 2020 top-up funding and 1st October 2020 to 31st March 2021 Nightingale NorthWest Hospital (^ please details below) /vaccine/ support funding allocated to the Trust following a change in the Financial Regime due to the COVID-19 Pandemic. The top-up funding was introduced to support the finance regime allocations in recognition of increased costs as a consequence of COVID-19.

^ The Nightingale Northwest Hospital was built and opened over a 2 week period in April 2020 in response to the COVID pandemic. This temporary hospital was created within the Manchester Central Convention Centre in order to provide additional bed capacity to respond to an expected surge in hospital admissions. Closure of the Hospital and its subsequent decommissioning was announced in March 2021. During 2020/21 the Hospital was operational to clinical admissions for 9 of the 12 months, being on standby for the other 3 months. MFT was asked to host the Nightingale Northwest Hospital and as a result the majority of financial transactions were processed by the Trust and are included in these financial statements. The total costs incurred by MFT for hosting the Nightingale Northwest in 2020/21 amounted to £38.9m of which £16.1m related to the initial setup, £21m running costs and £1.8m decommissioning costs – these are included in note 3 - Operating expenses in these financial statements and the £38.9m associated income included in Top Up funding of this note 2.1, detailed above.

(e) The Trust has been notified of funding to cover the 6.3% increased cost of the Employer Pensions Contribution. This is paid centrally by NHS England, for accounting purposes it is recognised as Income and Expenditure (see note 4) in the Trust accounts.

(f) Other clinical income in the year has increased due to funding which is to be received from NHS England relating to the cost of Annual Leave due to the impact of Covid-19 and staff being unable to take their allocation during the financial year.

(g) This is income to the Trust for the Protection Personal Equipment (PPE) which the Trust received directly from DHSC throughout the financial year providing PPE directly to the Trust during the COVID-19 pandemic, note 3 details the expenditure relating to this cost.

(h) Within Other Operating Income the following items are included in Other Income:

	2020/2021 Trust	2020/2021 Group	2019/2020 Trust	2019/2020 Group
Other Income	**£000**	**£000**	£000	£000
Other Income	**29,819**	**29,819**	31,857	29,986
Clinical Excellence Awards	**4,359**	**4,359**	4,727	4,727
Car Parking	**400**	**400**	6,509	6,509
Property Rentals	**5,200**	**5,200**	5,588	5,588
Staff accommodation rental	**305**	**305**	344	344
Crèche Services	**915**	**915**	960	960
Clinical Tests	**274**	**274**	143	143
Staff contributions to employee benefit schemes	**0**	**0**	878	878
Estates Recharges	**269**	**269**	165	165
Catering	**66**	**66**	115	115
Pharmacy Sales	**354**	**354**	427	427
Total Other Income	**41,962**	**41,962**	51,713	49,842

2.2 Operating Lease Income

	2020/2021	2019/2020
	Trust and Group £000	Trust and Group £000
Rents recognised as income during the period	**1,816**	1,740
Total	**1,816**	1,740
Future minimum lease payments due		
not later than one year	**1,598**	1,728
later than one year and not later than five years	**3,878**	4,687
later than five years	**4,368**	4,061
Total	**9,844**	10,476

2.3 Operating Income (by Source)

	2020/2021	**2020/2021**	2019/2020	2019/2020
	Trust £000	**Group £000**	Trust £000	Group £000
Income From Activities				
Clinical Commissioning Groups	**919,815**	**919,815**	817,691	817,691
NHS Foundation Trusts	**408**	**408**	0	0
NHS England	**754,143**	**754,143**	675,907	675,907
NHS other (including Public Health England)	**374**	**374**	374	374
Local Authorities	**38,617**	**38,617**	33,989	33,989
Provider Sustainability Funding	**0**	**0**	27,937	27,937
Reimbursement and Top up Funding	**174,079**	**174,079**	0	0
Private Patients	**2,093**	**2,093**	3,015	3,015
Overseas Patients (Non-Reciprocal)	**1,139**	**1,139**	1,457	1,457
NHS Injury Costs Recovery Scheme	**4,256**	**4,256**	4,687	4,687
Non-NHS Other	**8,537**	**8,537**	9,406	9,406
Total Income From Activities	**1,903,461**	**1,903,461**	1,574,463	1,574,463

2.4 Overseas Visitors Income (Patients Charged Directly by the Trust)

	2020/2021	2019/2020
	Trust and Group £000	Trust and Group £000
Income Recognised in the Year	**1,139**	1,457
Cash Received in the Year	**265**	635
Amount Added to Provision for Impairment of Receivables	**384**	645
*Amounts Written Off in the Year	**1,213**	518

* Write-offs have been undertaken following extensive debt collection exercises and review of the probability of recovery. Overseas tariff guidance is followed, whereby CCGs underwrite 50% of the invoice value (75% of standard tariff).

	2020/2021 Trust and Group £000	2019/2020 Trust and Group £000
2.5 Additional information on contract revenue (IFRS 15) recognised in the period		
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	**10,265**	12,329
Total	**10,265**	12,329
2.6 Revenue not recognised this year		
Revenue from contracts entered into as at the period end expected to be recognised:		
- within one year	**35,084**	18,435
- after one year not later than five years	**3,817**	3,439
- after five years	**0**	0
Total	**38,901**	21,874

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from:-.

(i) contracts with an expected duration of one year or less and

(ii) contracts where the Trust recognises revenue directly corresponding to work done to date is not disclosed.

3 Operating Expenses	2020/2021	2020/2021	2019/2020	2019/2020
	Trust	**Group**	Trust	Group
	£000	**£000**	£000	£000
Purchase of healthcare from NHS and DH bodies	**14,659**	**14,659**	13,841	13,841
Purchase of healthcare from non-NHS and non-DH bodies	**19,615**	**19,615**	17,709	17,709
Staff and executive directors costs *	**1,206,235**	**1,206,235**	1,060,330	1,060,379
Remuneration of non-executive directors	**230**	**230**	228	228
Supplies and services - clinical (excluding drugs costs)	**184,184**	**184,184**	190,830	190,830
Supplies and services - general	**13,002**	**13,002**	6,117	6,117
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response **	**28,123**	**28,123**	0	0
Drug costs	**195,919**	**195,919**	170,186	170,186
Consultancy costs	**6,958**	**6,958**	2,951	2,951
Establishment ***	**10,841**	**10,841**	10,928	10,928
Premises - business rates collected by local authorities	**14,333**	**14,333**	7,321	7,321
Premises	**64,928**	**64,928**	30,529	30,529
Transport (including patient travel)	**5,609**	**5,609**	6,637	6,637
Depreciation on property, plant and equipment	**27,520**	**27,527**	26,074	26,085
Amortisation on intangible assets	**1,140**	**1,140**	962	962
Net impairments	**77,525**	**77,525**	47,547	47,547
Increase in provision for impairment of receivables	**6,489**	**6,489**	1,767	1,767
Change in provisions discount rate(s)	**392**	**392**	(73)	(73)
Audit fees payable to the external auditor:-				
i) audit services- statutory audit	**102**	**113**	102	113
ii) other auditor remuneration (external auditor only) ****	**0**	**0**	2	2
Internal audit and Local Counter Fraud costs	**221**	**221**	230	230
Clinical negligence	**36,207**	**36,207**	33,735	33,735
Legal fees	**1,687**	**1,687**	1,709	1,709
Insurance	**496**	**496**	364	364
Research and development - staff costs*	**28,673**	**28,673**	27,035	27,035
Research and development - non - staff costs	**35,320**	**35,320**	33,276	33,276
Education and training - non staff costs	**6,802**	**6,802**	5,644	5,644
Education and training - Notional expenditure funded from Apprenticeship Levy	**2,681**	**2,681**	2,023	2,023
Rentals under operating leases *****	**17,057**	**17,057**	15,505	15,505
Redundancy - staff costs*	**65**	**65**	221	221
Redundancy - non staff	**2,063**	**2,063**	4,676	4,676
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	**65,194**	**65,194**	65,824	65,824
Car parking & security	**3,080**	**3,080**	2,415	2,415
Hospitality	**25**	**25**	84	84
Other NHS charitable fund resources expended	**0**	**6,418**	0	1,814
Other ***	**69,886**	**69,886**	24,626	24,626
Total ****	**2,147,261**	**2,153,697**	1,811,355	1,813,240

* Further details for pay expenditure is included in Note 4.

** This is expenditure is for the Protection Personal Equipment which the Trust has received directly from DHSC during the financial year to be used during the COVID pandemic. The cost of this has be funded as detailed in note 2.1 which provides details of the income to pay for this cost.

*** Establishment and Other costs in 2019/20 have been re-presented to include IT in Other costs for comparative purposes. In 2020/21 Other costs include £38m IT cost, £20m general provisions and £6m professional fees.

**** Other auditor remuneration (external auditor only) are payments for services received in addition to Statutory Audit services and are set out in more detail in Note 5.3.

***** The Trust's Operating Expenses include payments made in respect of Operating Leases as set out in Note 5.

****** The above Operating Expenses includes £122m relating to Covid-19 cost and the Nightingale, this is split across various categories as follows :- £44m Staff and Executive Director cost, £25m Supplies and Services - Clinical, £5m Supplies and Services - General, £4m Consultancy Cost, £32m Premises, £6m Other expenses and £6m across various other line items.

3.1 Auditor's Liability

There is no limitation on the auditor's liability for the audit of the Trust's or Charitable funds annual accounts.

3.2 Other Audit Remuneration

Mazars LLP are the appointed external auditors for the Trust. Mazars LLP contract commenced on the 1st December 2018, on a 2 year contract with the option to extend for a 12 month period. The contract has now been extended to December 2021.

In 2020/2021, there were no services provided by the external auditors, Mazars LLP, other than the statutory audit for the Trust's Annual Accounts and Annual Report, Charity Accounts and the Quality Account. The Quality Accounts Report provides limited assurance by the External Auditors. This work has been cancelled following guidance from the Department of Health and Social Care. The work on the Quality Accounts Report is a limited assurance engagement undertaken by the Trust's external auditors. This has resulted in no cost for 2020/21 (reduced fee 2019/20) which is detailed in note 3.

The cost of auditing the Annual Accounts and Report is shown under the heading of 'External Audit Fees for Services - Statutory Audit' and the Quality Account fee shown separately under the category 'Other External Auditor remuneration', both in Note 3. This charge detailed in Note 3 is inclusive of VAT.

4 **Employee benefits**	**2020/2021 Trust £000**	**2020/2021 Group £000**	2019/2020 Trust £000	2019/2020 Group £000
Salaries and wages	**930,309**	**930,309**	807,563	807,563
Social security costs	**83,516**	**83,516**	74,470	74,470
Apprenticeship levy	**4,023**	**4,023**	3,616	3,616
Employer's contributions to NHS pensions	**100,401**	**100,401**	90,937	90,937
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	**43,929**	**43,929**	39,668	39,668
Pension cost - other	**261**	**261**	204	204
Temporary staff (including agency)	**76,743**	**76,743**	75,151	75,151
NHS charitable funds staff	**0**	**0**	0	49
Total staff costs	**1,239,182**	**1,239,182**	1,091,609	1,091,658
Of which				
Costs capitalised as part of assets	**4,209**	**4,209**	4,023	4,023
Net staff costs *	**1,234,973**	**1,234,973**	1,087,586	1,087,635

* Note 3 splits the Net staff costs detailed above into the difference categories of Staff and Executive Director cost, Research and Development cost and Redundancy cost.

This note does not include the remuneration for non-executive directors.

4.1 Early Retirements Due to Ill-Health

During the year to 31 March 2021 there were 10 early retirements from the Trust (and the Group) agreed on the grounds of ill-health (2019/2020: 6). The estimated additional pension liabilities will be £372k in 2020/21 (2019/2020: £266k) and the costs of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

5 Operating Lease Expenditure

	2020/2021	2019/2020
	Trust and Group	Trust and Group
	£000	£000
Minimum lease payments	**17,057**	15,505
	17,057	15,505

5.1 Arrangements Containing an Operating Lease

	2020/2021	2019/2020
	Trust and Group	Trust and Group
	£000	£000
Future Minimum Lease Payments Due:		
Not later than one year	**13,243**	14,403
Later than one year and not later than five years	**16,111**	15,842
Later than five years	**27,343**	16,166
Total	**56,697**	46,411

The future minimum lease payments are in respect of 269 operating leases (231, 2019/20), of varying contract values and terms.

The above lease charges and minimum lease payments exclude Managed Equipment Service (MES) contracts. As in previous years, these have been charged to Clinical Supplies and Services. The total annual charge for these contracts is £55.6m 2020/21 (2019/20: £39.1m), as at 31 March 2021 there is between 1 and 15 years remaining until expiry of the contracts.

6 Finance Income

	2020/2021 Trust £000	2020/2021 Group £000	2019/2020 Trust £000	2019/2020 Group £000
Interest on bank accounts	**30**	**30**	**1,072**	**1,072**
NHS charitable fund investment income	**0**	**536**	**0**	**594**
	30	**566**	1,072	1,666

7 Finance Costs

	2020/2021 Trust and Group £000	2019/2020 Trust and Group £000
Interest on Loans from the Independent Trust Financing Facility	**2,602**	2,720
Interest on bank loans	**58**	103
Total interest costs	**2,660**	2,823
Unwinding of discount on provisions	**(62)**	(35)
Interest on Obligations under PFI Contracts:		
- Main Finance Cost	**18,882**	19,606
- Contingent Finance Cost	**19,304**	18,371
Total Interest on Obligations under PFI	**38,186**	37,977
Total Finance Costs	**40,784**	40,765

8 Impairment of Assets (Property, Plant & Equipment and Intangibles)

	2020/2021 Trust and Group	2019/2020 Trust and Group
Net impairments charged to operating surplus resulting from:	**£000**	£000
Obsolescence/consumption of economic benefits	**0**	64,294
Changes in market price	**51,529**	(16,747)
Total impairments and reversals charged to operating expenses	**51,529**	47,547

9 Intangible Assets

9.1 Intangible Assets

31 March 2021	Software Licences - Purchased	Intangible Assets under Construction	Development Expenditure (Internally Generated)	Total
	Trust and Group	Trust and Group	Trust and Group	Trust and Group
	£000	£000	£000	£000
Gross Cost at 1 April 2020	**21,842**	**42**	**1,361**	**23,245**
Transfers by absorption	**0**	**0**	**0**	**0**
Additions - Purchased	**383**	**17,244**	**0**	**17,627**
Additions - Purchased from cash donations or grants	**14**	**0**	**0**	**14**
Impairments	**0**	**(25,996)**	**0**	**(25,996)**
Revaluation	**0**	**0**	**0**	**0**
Reclassifications	**0**	**10,154**	**0**	**10,154**
Gross Cost at 31 March 2021	**22,239**	**1,444**	**1,361**	**25,044**
Amortisation at 1 April 2020	**17,878**	**0**	**1,361**	**19,239**
Transfers by absorption	**0**	**0**	**0**	**0**
Provided During the Period	**1,140**	**0**	**0**	**1,140**
Amortisation at 31 March 2021	**19,018**	**0**	**1,361**	**20,379**
Net book value as at 31st March 2021	**3,221**	**1,444**	**0**	**4,665**
Net book value as at 1st April 2020	**3,964**	**42**	**0**	**4,006**

31 March 2020	Software Licences - Purchased	Intangible Assets under Construction	Development Expenditure (Internally Generated)	Total
	Trust and Group	Trust and Group	Trust and Group	Trust and Group
	£000	£000	£000	£000
Gross Cost at 1 April 2019	**20,425**	**349**	**1,361**	**22,135**
Transfers by absorption	269	0	0	269
Additions - Purchased	765	42	0	807
Additions - Purchased from cash donations or grants	34	0	0	34
Reclassifications	349	(349)	0	0
Gross Cost at 31 March 2020	**21,842**	**42**	**1,361**	**23,245**
Amortisation at 1 April 2019	**16,654**	**0**	**1,361**	**18,015**
Transfers by absorption	262	0	0	262
Provided During the Period	962	0	0	962
Amortisation at 31 March 2020	**17,878**	**0**	**1,361**	**19,239**
Net book value as at 31st March 2020	3,964	42	0	4,006
Net book value as at 1st April 2019	3,771	349	0	4,120

The majority of the additions included as intangible assets above relate to the implementation of the EPIC Electronic Patient Record across the trust as part of the development known as the HIVE project. This will deliver a modern patient electronicrecord system for all parts of the trust. While this system will deliver significant benefits to the trust in the form of cost savings and patient experience and safety improvements, it is not a commercial investment proposition and as a result the value in use of the system at interim and final stages will be significantly less than the costs incurred to deliver it. Nevertheless the project will deliver an overall positive cash impact and improvements in patient safety and experience over its life.

10 Property, Plant and Equipment

31 March 2021	Land	Buildings Excluding Dwellings	Assets Under Construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings	Total	NHS Charitable Funds Assets	Total
	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Charity	Trust and Group
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2020	**15,063**	**514,914**	**31,951**	**244,414**	**512**	**54,484**	**19,601**	**880,939**	**127**	**881,066**
Transfer by Absorption	**1,500**	**1,716**	**0**	**(207)**	**0**	**0**	**0**	**3,009**	**0**	**3,009**
Additions	**0**	**6,720**	**80,289**	**19,807**	**0**	**5,342**	**0**	**112,158**	**0**	**112,158**
Additions donated	**0**	**0**	**4,028**	**225**	**0**	**8**	**14**	**4,275**	**0**	**4,275**
Additions - equipment donated from DHSC for COVID response (non-cash)	**0**	**0**	**0**	**1,032**	**0**	**0**	**0**	**1,032**	**0**	**1,032**
Impairments charged to operating expenses	**0**	**(47,968)**	**0**	**0**	**0**	**(3,561)**	**0**	**(51,529)**	**0**	**(51,529)**
Impairments charged to the revaluation reserve	**0**	**(750)**	**0**	**0**	**0**	**0**	**0**	**(750)**	**0**	**(750)**
Revaluations	**0**	**(11,876)**	**0**	**0**	**0**	**0**	**0**	**(11,876)**	**0**	**(11,876)**
Reclassifications	**0**	**48,704**	**(62,419)**	**0**	**0**	**3,561**	**0**	**(10,154)**	**0**	**(10,154)**
Cost or Valuation at 31 March 2021	**16,563**	**511,460**	**53,849**	**265,271**	**512**	**59,834**	**19,615**	**927,104**	**127**	**927,231**
Accumulated Depreciation as at 1 April 2020	**0**	**0**	**0**	**211,131**	**511**	**42,398**	**18,831**	**272,871**	**56**	**272,927**
Transfer by Absorption	**0**	**30**	**0**	**0**	**0**	**0**	**0**	**30**	**0**	**30**
Provided During the Period	**0**	**15,711**	**0**	**6,939**	**0**	**4,688**	**182**	**27,520**	**7**	**27,527**
Revaluations	**0**	**(15,711)**	**0**	**0**	**0**	**0**	**0**	**(15,711)**	**0**	**(15,711)**
Depreciation at 31 March 2021	**0**	**30**	**0**	**218,070**	**511**	**47,086**	**19,013**	**284,710**	**63**	**284,773**
Net book value as at 31st March 2021	**16,563**	**511,430**	**53,849**	**47,201**	**1**	**12,748**	**602**	**642,394**	**64**	**642,458**
Net book value as at 31st March 2020	**15,063**	**514,914**	**31,951**	**33,283**	**1**	**12,086**	**770**	**608,068**	**71**	**608,139**

The Trust's Land and Buildings have been revalued by the District Valuer during 2020/21. The above figures are as per the desktop valuation dated 31 March 2021.

The valuation exercise was carried out in February 2021 with a valuation date of 31 March 2021, applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2017 ('Red Book').

Of the £528m net book value of land and buildings subject to valuation, £512m relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets.

It is possible that the COVID-19 pandemic will affect the Trust's future assessment of what would be required in a modern equivalent asset, but as yet there is insufficient evidence to affect the assumptions used in the valuation.

During 2020/21, the Trust has received land and building assets via a transfer by absorption totalling £3.2m. These assets were transferred from Pennine Care NHS Foundation Trust. There was no consideration paid for these assets.

10.1 Property, Plant and Equipment

31 March 2020	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings	Total	NHS Charitable Funds Assets	Total Trust and Group
	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Charity	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2019	**14,523**	**519,603**	**529**	**34,830**	**236,884**	**607**	**48,974**	**19,881**	**875,831**	**127**	**875,958**
Transfers by absorption	0	157	0	0	2,840	0	751	0	3,748	0	3,748
Additions	0	6,748	0	56,281	8,979	0	4,384	0	76,392	0	76,392
Additions donated	0	0	0	4,499	775	0	48	7	5,329	0	5,329
Impairments charged to operating expenses	0	(45,221)	0	0	(74)	0	(18,999)	0	(64,294)	0	(64,294)
Revaluations	538	(11,585)	0	0	0	0	0	0	(11,047)	0	(11,047)
Reclassifications	2	45,212	(529)	(63,659)	(4,990)	(95)	19,326	(287)	(5,020)	0	(5,020)
Cost or Valuation at 31 March 2020	**15,063**	**514,914**	**0**	**31,951**	**244,414**	**512**	**54,484**	**19,601**	**880,939**	**127**	**881,066**
Accumulated Depreciation as at 1 April 2019	**0**	**20,574**	**529**	**0**	**206,107**	**606**	**34,513**	**18,779**	**281,108**	**45**	**281,153**
Transfers by absorption	0	153	0	0	2,185	0	181	0	2,519	0	2,519
Provided During the Period	0	16,202	0	0	5,361	0	4,262	249	26,074	11	26,085
Reversal of impairments credited to operating expenditure	0	(16,747)	0	0	0	0	0	0	(16,747)	0	(16,747)
Revaluations	0	(15,063)	0	0	0	0	0	0	(15,063)	0	(15,063)
Reclassifications	0	(5,119)	(529)	0	(2,522)	(95)	3,442	(197)	(5,020)	0	(5,020)
Depreciation at 31 March 2020	**0**	**0**	**0**	**0**	**211,131**	**511**	**42,398**	**18,831**	**272,871**	**56**	**272,927**
Net book value as at 31st March 2020	**15,063**	**514,914**	**0**	**31,951**	**33,283**	**1**	**12,086**	**770**	**608,068**	**71**	**608,139**

10.1 Property, Plant and Equipment Financing	Land	Buildings Excluding Dwellings	Assets Under Construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings	Total	NHS Charitable Funds Assets	Total
	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Charity	Trust and Group
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net Book Value - 31 March 2021										
Owned	**16,486**	**198,904**	**53,849**	**43,891**	**1**	**12,702**	**465**	**326,298**	**64**	**326,362**
On-balance sheet PFI contracts and other service concession arrangements	**0**	**305,005**	**0**	**0**	**0**	**0**	**0**	**305,005**	**0**	**305,005**
Government Granted	**0**	**0**	**0**	**1,032**	**0**	**0**	**0**	**1,032**	**0**	**1,032**
Donated	**77**	**7,521**	**0**	**2,278**	**0**	**46**	**137**	**10,059**	**0**	**10,059**
NBV Total at 31 March 2021	**16,563**	**511,430**	**53,849**	**47,201**	**1**	**12,748**	**602**	**642,394**	**64**	**642,458**

Property, Plant and Equipment Financing	Land	Buildings Excluding Dwellings	Construction	Machinery	Equipment	Technology	and Fittings	Total	NHS Funds Assets	Total
	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Charity	Trust and Group
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net Book Value - 31 March 2020										
Owned	**14,987**	**196,915**	**31,951**	**29,729**	**1**	**12,038**	**620**	**286,241**	**71**	**286,312**
On-balance sheet PFI contracts and other service concession arrangements	**0**	**310,494**	**0**	**0**	**0**	**0**	**0**	**310,494**	**0**	**310,494**
Government Granted	**0**	**786**	**0**	**0**	**0**	**0**	**0**	**786**	**0**	**786**
Donated	**76**	**6,719**	**0**	**3,554**	**0**	**48**	**150**	**10,547**	**0**	**10,547**
NBV Total at 31 March 2020	**15,063**	**514,914**	**31,951**	**33,283**	**1**	**12,086**	**770**	**608,068**	**71**	**608,139**

10.2 Economic Life of Non-Current Assets	2020/2021 Minimum Life Years Trust and Group	2020/2021 Maximum Life Years Trust and Group	2019/2020 Minimum Life Years Trust and Group	2019/2020 Maximum Life Years Trust and Group
Purchased, Donated or Granted				
Software	**5**	**7**	5	7
Development expenditure	**5**	**7**	5	7
Buildings (Excluding Dwellings)	**1**	**90**	1	90
Plant and Machinery	**1**	**15**	1	15
Transport Equipment	**1**	**10**	1	10
Information Technology	**1**	**10**	1	10
Furniture and Fittings	**1**	**10**	1	10

The above asset lives relate to both intangible and tangible assets.

11 Investments

31 March 2021	Trust £000	Group £000
Carrying Value as at 1 April 2020	**1,592**	**20,038**
Fair value losses	**(94)**	**(94)**
Movement in Fair Value	**0**	**3,859**
Carrying Value as at 31 March 2021	**1,498**	**23,803**

31 March 2020	Trust £000	Group £000
Carrying Value as at 1 April 2019	2,513	22,066
Fair value losses	(921)	(921)
Movement in Fair Value	0	(1,107)
Carrying Value as at 31 March 2020	1,592	20,038

The Trust reviews all investments on a regular basis to ensure the fair value is reported in the Statement of Financial Position.

12 Non-Current Assets Held for Sale in Disposal Groups and Surplus Assets

As at 31 March 2021 the Trust and the Group held one asset for sale, valued at £210k (31 March 2020 £210k). This consists of both land and buildings situated in Manchester.

The Trust holds no surplus assets.

13 Inventories

31 March 2021	Drugs Trust and Group £000	Consumables Trust and Group £000	Consumables donated from DHSC group bodies* Trust and Group £000	Energy Trust and Group £000
Carrying Value as at 1 April 2020	**6,987**	**11,355**	**0**	**276**
Additions	**160,132**	**30,070**	**28,123**	**102**
Inventories Consumed (Recognised in Expenses)	**(159,404)**	**(27,626)**	**(28,123)**	**0**
Total	**7,715**	**13,799**	**0**	**378**

* Consumables donated from DHSC group bodies - These items relate to Personal Protective Equiment donated to the Trust by DHSC during the financ

31 March 2020	Drugs Trust and Group £000	Consumables Trust and Group £000	Consumables donated from DHSC group bodies* Trust and Group £000	Energy Trust and Group £000
Carrying Value as at 1 April 2019	5,973	10,212	0	277
Additions	145,724	31,256	0	0
Inventories Consumed (Recognised in Expenses)	(144,710)	(30,113)	0	(1)
Total	6,987	11,355	0	276

14 Trade and Other Receivables

Current	**31 March 2021**		31 March 2020	
	Trust	**Group**	Trust	Group
	£000	**£000**	£000	£000
Contract Receivables NHS - invoiced	**16,819**	**16,819**	54,560	54,560
Contract Receivables other - invoiced	**23,161**	**23,161**	6,778	6,778
Contract receivables - not yet invoiced	**65,277**	**65,277**	45,223	42,949
Allowance for other impaired receivables	**(13,649)**	**(13,649)**	(8,128)	(8,128)
Prepayments	**13,212**	**13,212**	15,163	15,163
VAT Receivable	**3,741**	**3,741**	3,062	3,062
NHS charitable funds: trade and other receivables	**0**	**501**	0	793
Total Current Trade and Other Receivables	**108,561**	**109,062**	116,658	115,177

Non-Current	**31 March 2021**		31 March 2020	
	Trust	**Group**	Trust	Group
	£000	**£000**	£000	£000
Provision for the Impairment of Receivables	**0**	**0**	0	0
Contract Receivables	**688**	**688**	2,028	2,028
Finance lease receivables *	**528**	**528**	528	528
Clinician pension tax debtor **	**4,429**	**4,429**	3,773	3,773
Total Non-Current Trade and Other Receivables	**5,645**	**5,645**	6,329	6,329

* The Finance lease receivable in the analysis above relates to the amount due in relation to the Citylabs 1 land and building.

** This debtor has been created following guidance received from NHSI for future cost for tax on clinicians' pensions. This is to be funded by NHS England and has a matching provision included in note 20.

15 Allowances for credit losses

	31 March 2021
	Trust and Group
	£000
Allowances at 1 April 2020 brought forward	**8,128**
New allowances arising	**6,489**
Utilisation of allowances (where receivable is written off)	**(968)**
Total allowances for credit losses	**13,649**

15.1 Allowances for credit losses

	31 March 2020
	Trust and Group
	£000
Allowances at 1 April 2019 brought forward	6,361
New allowances arising	1,767
Total allowances for credit losses	8,128

16 Cash and Cash Equivalents

31 March 2021	**Trust**	**Group**
	£000	**£000**
Balance at 1 April 2020	**133,281**	**140,840**
Net Change in the Period	**137,918**	**136,579**
Balance at 31 March 2021	**271,199**	**277,419**
Comprising:-		
Commercial Banks and Cash in Hand	**241**	**6,461**
Cash With the Government Banking Service	**270,958**	**270,958**
Cash and Cash Equivalents as per Statement of Financial Position	**271,199**	**277,419**

31 March 2020	Trust	Group
	£000	£000
Balance at 1 April 2019	154,563	160,113
Transfers by absorption	(576)	(576)
Net Change in the Period	(20,706)	(18,697)
Balance at 31 March 2020	133,281	140,840
Comprising:-		
Commercial Banks and Cash in Hand	319	7,878
Cash With the Government Banking Service	132,962	132,962
Cash and Cash Equivalents as per Statement of Financial Position	133,281	140,840

Third Party Assets of £40k were held by the Trust as at 31 March 2021 (£34k held by the Trust as at 31 March 2020). These are excluded from the Trust's Cash and Cash Equivalents figures disclosed above.

17 Trade and Other Payables

Current	**31 March 2021**		31 March 2020	
	Trust	**Group**	Trust	Group
	£000	**£000**	£000	£000
Trade payables	34,540	34,540	29,136	29,136
Capital payables	33,594	33,594	12,844	12,844
Accruals	205,448	205,448	104,365	104,365
Social security and other taxes payable	22,885	22,885	18,949	18,949
VAT payables	390	390	364	364
PDC dividend payable	0	0	221	221
Other payables	24,492	24,492	22,374	22,374
NHS charitable funds: trade and other payables	0	193	0	330
Total Current Trade and Other Payables	**321,349**	**321,542**	**188,253**	**188,583**

Non-Current	**31 March 2021**	31 March 2020
	Trust and Group	Trust and Group
	£000	£000
Accruals	**2,598**	2,599
Total Non-Current Trade and Other Payables	**2,598**	2,599

18 Borrowings

	31 March 2021 Trust and Group £000	31 March 2020 Trust and Group £000
Current		
Loans from Independent Trust Financing Facility	**7,684**	7,738
Loans from other entities	**322**	821
Obligations Under Private Finance Initiative Contracts	**12,284**	11,614
Total	**20,290**	20,173

	31 March 2021 Trust and Group £000	31 March 2020 Trust and Group £000
Non-Current		
Loans from Independent Trust Financing Facility	**84,992**	88,917
Loans from other entities	**827**	1,125
Obligations Under Private Finance Initiative Contracts	**289,129**	301,413
Total	**374,948**	391,455

18.1 Reconciliation of liabilities arising from financing activities

	DHSC loans	Other loans	PFI and LIFT schemes	Total
	£000	**£000**	**£000**	**£000**
Carrying value at 1 April 2020	**96,655**	**1,946**	**313,027**	**411,628**
Cash movements:				
Financing cash flows - payments and receipts of principal	**(3,925)**	**(802)**	**(11,614)**	**(16,341)**
Financing cash flows - payments of interest	**(2,656)**	**(53)**	**(18,882)**	**(21,591)**
Non-cash movements:				
Application of effective interest rate	**2,602**	**58**	**18,882**	**21,542**
Carrying value at 31 March 2021	**92,676**	**1,149**	**301,413**	**395,238**

	DHSC loans	Other loans	PFI and LIFT schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2019	100,717	2,653	324,203	427,573
Impact of implementing IFRS 9 on 1 April 2019	0	0	0	0
Cash movements:				
Financing cash flows - payments and receipts of principal	(4,025)	(726)	(11,176)	(15,927)
Financing cash flows - payments of interest	(2,757)	(84)	(19,606)	(22,447)
Non-cash movements:				
Application of effective interest rate	2,720	103	19,606	22,429
Carrying value at 31 March 2020	96,655	1,946	313,027	411,628

19 Other liabilities

	31 March 2021 Trust £000	31 March 2021 Group £000	31 March 2020 Trust £000	31 March Group £000
Current				
Other Deferred Income	**35,084**	**36,778**	18,435	18,435
Total	**35,084**	**36,778**	18,435	18,435
Non-Current				
Other Deferred Income	**3,817**	**3,817**	3,442	3,442
Total	**3,817**	**3,817**	3,442	3,442

20 Provisions for Liabilities and Charges

	Current	Non-Curren t	Current	Non-Current
	31 March 2021	31 March 2021	31 March 2020	31 March 2020
	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000
Pensions- Early departure costs	574	3,049	456	3,765
Pensions- Injury benefits	220	2,804	223	2,715
Other Legal Claims	1,640	0	910	0
Restructurings	2,759	5,065	2,783	3,034
Clinical Pensions Tax Reimbursement	0	4,429	0	3,773
Other	19,682	1,275	9,045	1,348
Totals	24,875	16,622	13,417	14,635

20.1 Provisions for Liabilities and Charges Analysis

2020/2021	Pensions- Early departure costs	Pensions Injury benefit	Other Legal Claims	Restructurings	Clinician pension tax reimbursement	Other	Totals
	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000
As at 1 April 2020	4,221	2,938	910	5,817	3,773	10,393	28,052
Change in Discount Rate	(201)	(63)	0	0	656	0	392
Arising During the Period	192	394	865	2,060	0	10,615	14,126
Utilised During the Period	(554)	(218)	0	(8)	0	(51)	(831)
Reversed Unused	0	0	(135)	(45)	0	0	(180)
Unwinding of Discount	(35)	(27)	0	0	0	0	(62)
At 31 March 2021	3,623	3,024	1,640	7,824	4,429	20,957	41,497
Expected Timing of Cashflows:							
- Not Later Than 1 Year	574	220	1,640	2,759	0	19,682	24,875
- Later Than 1 Year and Not Later Than 5 Years	2,895	902	0	5,065	2,215	1,275	12,352
- Later Than 5 Years	154	1,902	0	0	2,214	0	4,270
Total	3,623	3,024	1,640	7,824	4,429	20,957	41,497

2019/2020	Pensions- Early departure costs	Pensions Injury benefit	Other Legal Claims	Restructurings	Clinician pension tax reimbursement	Other	Totals
	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000
As at 1 April 2019	4,778	1,751	928	2,012	0	15,204	24,673
Change in Discount Rate	(112)	39	0	0	0	0	(73)
Arising During the Period	189	1,774	0	5,294	3,773	4,245	15,275
Utilised During the Period	(579)	(612)	(18)	(605)	0	(1,928)	(3,742)
Reversed Unused	(34)	0	0	(884)	0	(7,128)	(8,046)
Unwinding of Discount	(21)	(14)	0	0	0	0	(35)
At 31 March 2020	4,221	2,938	910	5,817	3,773	10,393	28,052
Expected Timing of Cashflows:							
- Not Later Than 1 Year	456	223	910	2,783	0	9,045	13,417
- Later Than 1 Year and Not Later Than 5 Years	3,502	827	0	3,034	1,887	1,348	10,598
- Later Than 5 Years	263	1,888	0	0	1,886	0	4,037
Total	4,221	2,938	910	5,817	3,773	10,393	28,052

Pensions - Early Departure Costs per above relates to sums payable to former employees having retired prematurely due to injury at work. The provision is based upon current and expected benefits advised by the NHS Pensions Agency and the computed life expectancies of pension recipients.

Other legal claims - based on professional assessments, which are uncertain to the extent that they are estimates of the likely outcome of individual cases. Due to the dates of settlement of claims, are based on estimates supplied by NHS Resolution and/or legal advisors.

Restructurings - relates to estimate cost for various service re-design/transformation schemes, which have been committed to by the Trust. These relate to pay-protection and redundancy costs which are anticipated to be settled within a one year period.

Clinician Pension Tax Reimbursement - This relates to the cost incurred to Clinicians for the tax element due to changes relating to Pensions. This is to be funded centrally by NHS England and is anticipated to crystallise from 2021/22 and future years.

Other provisions are made in respect of a number of unconnected liabilities. The Trust has taken professional advice, and used its best estimates in arriving at the provisions. These include provision for potential litigation for contractual obligations. The expected timing of the cash flows shown above is estimated from the best information available to the Trust at this point in time, but these are uncertain.

20.2 Clinical Negligence Liabilities

Included in the provisions of NHS Resolution at 31 March 2021 is £592,668k (31 March 2020, £330,871k) in respect of Clinical Negligence liabilities of the Trust and the Group.

21 Contingent Liabilities and Assets

21.1 Contingent Liabilities

The Trust has identified a level of material uncertainty in the prevailing HMRC guidance and its application to specific circumstances, which bears on the VAT recovery position of one of the Trust's contracts for the supply of services. An estimate has been made of the reasonably foreseeable liability which the Trust can expect to face in relation to this uncertainty and this estimate is provided for in the Trust's Statement of Financial Position.

The Trust faces a number of claims from suppliers and other parties, including a putative contractual claim from a supplier. Management are satisfied that appropriate provision has been made in the financial statements for these issues.

The Trust also has a contingent liability of £209k (£244k at 31 March 2020) which represents the amount notified by NHS resolution to include in our accounts as a contingent liability.

22 Revaluation Reserve

	31 March 2021 Trust and Group £000	31 March 2020 Trust and Group £000
Revaluation Reserve at the beginning of the year	**49,424**	45,408
Transfer by absorption	**1,296**	0
Revaluations	**3,085**	4,016
Reserves Transfers	**9,687**	0
Revaluation Reserve at the end of the period	**63,492**	49,424

23 Related Party Transactions (Trust and Group)

Manchester University NHS Foundation Trust is a public interest body, a Department of Health and Social Care (parent of the group) Group body, authorised by Monitor (known as NHS Improvement since 1 April 2016), the Independent Regulator for NHS Foundation Trusts.

During the year none of the Board Members or members of the key management staff or parties related to them have undertaken any material transactions with the Trust.

One Non-Executive Director is a dirctor of Totally Local Comapany, Stockport (3 year term).

The Group Chairman is a Non Executive Director of Pennine Acute Hospital NHS Trust.

The Chief Executive is a board member for Manchester Academic Health Science Centre, a research and innovation body hosted by the Trust.

One Executive Director is the GM Partnership Joint Medical Executive for Acute Care.

One Executive Director is a Trustee and Treasurer for Faculty of Medical Leadership and Management.

The values relating to the above information are not material transactions.

The Trust has entered into a number of transactions with the University of Manchester, the University of Salford and Manchester Academic Health Science Centre. The values of the Debtors and Creditors as at the 31st March 2021 and the 2020/21 Income and Expenditure transactions are provided in the table below:-

Name of Organisation	Debtor	Creditor	Income	Expenditure
	£'000	£'000	£'000	£'000
University of Manchester	1,885	1,084	11,649	20,144
University of Salford	4	4	135	201

The Department of Health and Social Care is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent department including:

Department of Health and Social Care
NHS England - including Core, North West Commissioning Hub and Greater Manchester Local Office
NHS Bolton CCG
NHS Bury CCG
NHS Eastern Cheshire CCG
NHS Heywood, Middleton And Rochdale CCG
NHS Oldham CCG
NHS Salford CCG
NHS Stockport CCG
NHS Tameside And Glossop CCG
NHS Trafford CCG
NHS Wigan Borough CCG
Health Education England
NHS Resolution
Greater Manchester Mental Health NHS FT
Salford Royal NHS FT
The Christie NHS FT
Public Health England
Manchester Health and Care Commissioning
Greater Manchester Health and Social Care Partnership

In addition, the Trust has had a number of material transactions with other Government Departments and other Central and Local Government bodies, with the greatest amounts relating to Manchester City Council, HM Revenue and Customs, and the NHS Business Services Authority (Pensions Division).

24 Contractual Capital Commitments

Commitments under Capital Expenditure contracts at 31 March 2021 for the Trust and the Group total £26.709m (31 March 2020 £17.473m) of which £26.671m relates to Property, Plant and Equipment (31 March 2020 £17.473m) and £0.038m relates to Intangible Assets (31 March 2020 Nil). All these commitments are expected to be settled within the next 12 month period.

25 Finance Lease Obligations

Neither the Trust nor the Group had any obligations under Finance Leases in the year to 31 March 2021 (Nil in the year to 31 March 2020).

26 On-Statement of Financial Position Private Finance Initiative (PFI) Contracts

26.1 Total Obligations for On-Statement of Financial Position PFI Contracts

The predecessor Trusts entered into two PFI contracts which transferred to MFT on 1 October 2017.

In 1998, University Hospital of South Manchester NHS FT entered into 35 year PFI contract with South Manchester Healthcare Limited which expires in 2033. The contract covers the build and operation of two buildings at Wythenshawe hospital – the Acute Unit and the Mental Health Unit.

The Acute Unit consists of an Accident and Emergency department, a burns unit, coronary care unit, intensive care unit, six operating theatres, five medical and five surgical wards, an x-ray department, fracture clinic and renal department.

The Mental Health Unit provides adult and older people's outpatient and inpatient Mental Health services. The Trust sublets the Mental Health Unit to Manchester Mental Health and Social Care Trust. This agreement is treated as an operating lease and the income received is included within operating income.

In 2033, at the end of the PFI contract, the two buildings covered by the contract will transfer from South Manchester Healthcare Ltd to the Trust.

In December 2004, the Central Manchester University Hospital NHS Foundation Trust entered into a 38 year arrangement with Catalyst Healthcare (Manchester) Ltd.

The scheme involved the build and operation of four significant hospital developments on the Trust's Oxford Road Campus at an overall cost of approximately £500m.

In 2042, at the end of the agreement, ownership of the four properties (Manchester Royal Infirmary, Manchester Children's Hospital, Manchester Eye Hospital and St Mary's Hospital) transfers from Catalyst Healthcare (Manchester) Ltd to the Trust.

	31 March 2021 Trust and Group £000	31 March 2020 Trust and Group £000
Gross PFI Liabilities	**573,403**	609,921
Of Which Liabilities are Due:		
Not Later Than One Year	**35,905**	36,518
Later Than One Year, Not Later Than Five Years	**123,033**	135,153
Later Than Five Years	**414,465**	438,250
Less Finance Charges Allocated to Future Periods	**(271,990)**	(296,894)
Net PFI Liabilities	**301,413**	313,027
Net PFI Obligation		
Not Later Than One Year	**12,284**	11,614
Later Than One Year, Not Later Than Five Years	**44,540**	49,604
Later Than Five Years	**244,589**	251,809
	301,413	313,027

26.2 On-Statement of Financial Position PFI Commitments

The Trust is committed to making the following payments for on-Statement of Financial Position PFI obligations:-

	31 March 2021 Total Trust and Group £000	31 March 2020 Total Trust and Group £000
Not Later Than One Year	**126,677**	124,105
Later Than One Year, Not Later Than Five Years	**517,934**	512,657
Later Than Five Years	**2,506,371**	2,638,324
Total	**3,150,982**	3,275,086

26.3 PFI - Amounts Payable to Service Concession Operator

	2020/2021 Total Trust and Group £000	2019/2020 Total Trust and Group £000
Unitary payment payable to service concession operator (total of all schemes)		
Consisting of:		
- Interest charge	**18,882**	19,606
- Repayment of finance lease liability	**11,615**	11,175
- Service element	**65,194**	65,824
- Capital lifecycle maintenance	**10,341**	9,401
- Contingent rent	**19,304**	18,371
Total	**125,336**	124,377

27 Events Following the Statement of Financial Position Date

On the 1st April 2021, the Trust formally acquired North Manchester General Hospital site, services and associated Charitable Fund from Pennine Acute NHS Foundation Trust, following the approval of the transaction business case by NHS England and NHS Improvement.

The financial impact of this acquisition is currently being finalised and therefore it is not disclosed in these accounts. It is expected the values will be material to the 2021/22 Annual Accounts.

There were no other events following the Statement of Financial Position date, either requiring disclosure, or resulting in a change to the financial statements of the Trust or the Group.

28 Financial Instruments

IFRS 7 requires disclosure of the role which Financial Instruments have had during the period in creating or changing the risks which a body faces in undertaking its activities. Because of the continuing service provider relationship which the Trust has with its Commissioners, and the way in which those Commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also, Financial Instruments play a much more limited role in creating or changing risk for the Trust than would be typical of listed companies. The Trust has limited powers to borrow or invest surplus funds and Financial Assets and Liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities. For the Group, the MFT Charity does hold investments, and is therefore exposed to a degree of financial risk. This risk is carefully managed by pursuing a cautious, low risk Investment Strategy, and by monthly reviews of the performance of investments.

The Trust's Treasury Management operations are carried out by the Finance Department, within parameters defined formally within the Trust's Standing Financial Instructions, and policies agreed by the Board of Directors. Similarly, for the Group the Treasury Management of the MFT Charity's investments is carried out by the Charity Finance Team, following the policies set down by the Trustee, and subject to the approval of the Charitable Funds Committee. The Trust's and the Group's treasury activities are also subject to review by Internal Audit.

Liquidity Risk

Net operating costs of the Trust are funded under annual Service Agreements with NHS Commissioners, which are financed from resources voted annually by Parliament. The Trust largely finances its capital expenditure from internally generated cash, and funds made available by the Department of Health and Social Care. Additional funding by way of loans has been arranged with the Independent Trust Financing Facility to support major capital developments. The Trust is, therefore, exposed to liquidity risks from the loan funding - however these risks are approved, and comply with NHSI's Risk Assessment Framework. For the Group, the Charity finances all of its expenditure from the resources which have been donated to it, and therefore faces no liquidity risk.

Currency Risk

The Trust and the Group are principally domestic organisations with the overwhelming majority of their transactions, assets and liabilities being in the UK and Sterling based. The Trust and the Group have no overseas operations, and therefore have low exposure to currency rate fluctuations.

Interest Rate Risk

100% of the Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. The Trust is not, therefore, exposed to significant interest rate risk. For the Group, the Charity has interest bearing bank balances, which are subject to variable rates of interest. However, all other financial assets, and 100% of financial liabilities, of the Charity carry nil rates of interest. The Charity's bank balances represent approximately 1% of the Group's total Net Assets, and so the Group is not exposed to significant interest rate risk.

Credit Risk

The majority of the Trust's Income comes from contracts with other public sector bodies, and therefore the Trust has low exposure to credit risk. The maximum exposure as at 31 March 2021 is within Receivables from customers, as disclosed in the Trade and Other Receivables Note to these Accounts (Note 14). For the Group, the Charity's Income comes only from Donations, Legacies and Investment Income. Therefore the position of the Group is as for the Trust - the maximum exposure to Credit Risk is in respect of Receivables.

Market Price Risk

The Trust and the Group holds a number of investments at fair value and is therefore exposed to changes in the market price of these investments. This is not considered to be a significant risk to the Trust given the relative immateriality of the value of these investments and the Trust and Group's appetite to risk.

29 Carrying values of financial assets

29.1 Carrying values of financial assets

31 March 2021

Trust and Group

	Held at amortised cost £000	Held at fair value through other comprehensive income £000	Held at fair value through profit and loss £000	Total book value £000
Trade and Other Receivables Not Including Non-Financial Assets	**96,725**	**0**	**0**	**96,725**
Other Investments	**0**	**0**	**1,498**	**1,498**
Cash and Cash Equivalents	**271,199**	**0**	**0**	**271,199**
Trust total	**367,924**	**0**	**1,498**	**369,422**
Charitable Fund: financial assets	**6,721**	**22,302**	**0**	**29,023**
Group total	**374,645**	**22,302**	**1,498**	**398,445**

31 March 2020

Trust and Group

	Held at amortised cost £000	Held at fair value through other comprehensive income £000	Held at fair value through profit and loss £000	Total book value £000
Trade and Other Receivables Not Including Non-Financial Assets	102,060	0	0	102,060
Other Investments	0	0	1,592	1,592
Cash and Cash Equivalents	133,281	0	0	133,281
Trust total	235,341	0	1,592	236,933
Charitable Fund: financial assets	8,352	18,443	0	26,795
Group total	243,693	18,443	1,592	263,728

29.2 Carrying values of financial liabilities

	Other Financial Liabilities	
	31 March 2021 Trust and Group £000	31 March 2020 Trust and Group £000
	Held at amortised cost	Held at amortised cost
Borrowings Not Including Finance Leases and PFI Obligations	**93,825**	98,601
Obligations Under PFI Contracts	**301,413**	313,027
Trade and Other Payables Not Including Non-Financial Liabilities	**300,672**	171,312
Provisions Under Contract	**33,684**	21,520
Trust total	**729,594**	604,460
Charitable Fund: financial liabilities	**193**	330
Group total	**729,787**	604,790

29.3 Maturity of Financial Liabilities

	31 March 2021	31 March 2021	Restated 31 March 2020	Restated 31 March 2020
	Trust £000	**Group £000**	Trust £000	Group £000
In One Year or Less	**364,021**	**364,021**	228,962	228,962
In More Than One Years But Not More Than Five Years	**180,185**	**180,185**	185,024	185,024
In More Than Five Years	**476,671**	**476,671**	515,287	515,287
Total	**1,020,877**	**1,020,877**	929,273	929,273

30 Losses and Special Payments

30.1 Losses and Special Payments Incurred

	2020/2021 Number of Cases Trust and Group Number	2020/2021 Value of Cases Trust and Group £000	2019/2020 Number of Cases Trust and Group Number	2019/2020 Value of Cases Trust and Group £000
Thefts	**0**	**0**	**1**	1
Bad Debts and Claims Abandoned	**747**	**1,623**	**164**	520
Stores losses	**12**	**129**	**12**	77
Compensation Payments Under Legal Obligation	**0**	**0**	**4**	87
Ex Gratia Payments	**76**	**202**	**99**	214
Totals	**835**	**1,954**	280	899

Losses and Special Payments are reported on an accruals basis, excluding provisions for future losses.

31 Taxpayers' and Others' Equity

31.1 Public Dividend Capital

Public Dividend Capital (PDC) represents the Department of Health and Social Care's equity interest in the Trust, i.e. it is a form of long term Government finance which was initially provided to the Trust when its two predecessor organisations were founded as NHS Trusts in 1991, enabling it to acquire its assets from the Secretary of State for Health at that time.

Occasionally specific Capital Expenditure, can be funded by additional PDC being issued to the Trust. During the year the Trust has received £49.9m comprising of £26.8m building works, £12.5m COVID-19 equipment, £7.8m medical equipment and £2.8m for IT Schemes (£4.214m comprising of £1.9m for IT Schemes, £1.9m medical equipment, £0.3m COVID-19 equipment and £0.1m building works 2019/2020)

As outlined at Note 1.27 to these Accounts, a PDC Dividend of 3.5% per year is payable by the Trust to the Department of Health and Social Care in respect of the value of the Trust's Average "Net Relevant Assets".

31.2 Revaluation Reserve

The Revaluation Reserve represents differences between the latest valuations of the Trust's land and buildings and their cost, less depreciation to date of the buildings, as outlined in Note 1.10.

31.3 Income and Expenditure Reserve

The Income and Expenditure Reserve represents the accumulation of all surpluses and deficits made by the Trust since its inception.

31.4 Charitable Fund Reserves

The Charitable Fund Reserves are made up as follows:-

- Restricted Funds are those funds which have been donated, with specific purposes stipulated for the use of the Funds.
- Unrestricted funds are those funds which have been donated, and can be used for any appropriate purpose.
- Revaluation Reserve, which reflects the difference between the latest valuation of the Charity's Investments, and the original sums of money invested. The Statement of Financial Activities shows the change in value in the current financial year. The Statement of Financial Position shows the cumulative unrealised gain since the initial investment was made.

We would like to thank everyone who has contributed to producing this report

For more information about our Trust please visit: www.mft.nhs.uk