

Manchester University NHS Foundation Trust

2025-26 Annual Plan

Where

Excellence

Meets

Compassion



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Introduction

This Annual Plan outlines our actions for 2025/26, addressing immediate challenges and advancing our long-term mission and strategic aims. It serves as the year 2 delivery plan for our 5-year MFT strategy **Where Excellence Meets Compassion**, which was approved by the Board of Directors in March 2024.

<https://mft.nhs.uk/trust-strategy-2024-29-where-excellence-meets-compassion>

The strategy confirms our mission to **work together to improve the health and quality of life of our diverse communities**. It sets out:

- Five strategic aims and the difference that we will make in delivering them.
- Eleven objectives that describe the things that we will do in the coming years to deliver our aims.
- Specific actions under each objective that we will prioritise as we deliver our strategy.

A graphic summarising the strategy is set out on page 10.

The aims, objectives and actions will shape the work that we do as an organisation, both as teams and as individuals and you will see in this document how we plan to take forward each of the aims in 2025/26.

This document also sets out who we are, our mission and aims – what we want to achieve (p10+11), our values (p13), and the context within which we are operating – the priorities of our partner organisations and how they align with our plans (p20) and the financial environment within which we are operating (p30). Our priorities as a Trust are explored in context (p14). The final section describes the arrangement for monitoring and managing delivery of the plan (p38).

The document provides a high-level summary of the Trust's high-level priorities for 2025/26, along with a summary of our financial plan for the year. It is supported by more detailed operational plans developed by each Clinical Group and Corporate Team, that set out the actions that will help to deliver these priorities. Their delivery is overseen through our Delivery Oversight Framework, details of which are set out in the Monitoring and Managing Delivery section (p38).





Who We Are

Our teams provide a full range of community and hospital services to the people of Greater Manchester and beyond. We care for people from before they are born right through to the end of their lives:

- We provide integrated community care to people in Manchester, Trafford through our Local Care Organisations and Integrated Neighbourhood Teams.
- We provide local hospital services to almost 1 million people, including accident and emergency, diagnostic tests, outpatient appointments and day case surgery.
- We are the biggest provider of specialised services in England – which includes major surgery and highly specialised medicine. People come from across the United Kingdom to receive care at our hospitals.
- Our teams support people with both their physical and mental health, including mental health services for children and young people.

We have a strong reputation as a leading trust for research in the North West of England, recruiting more people to research studies than any other provider in the region, with the second highest number of participants recruited nationally. This allows us to give the people who access our services and our communities access to the very latest treatments and innovations.

Our services are delivered through the following Clinical Groups:

Clinical & Scientific Services (CSS) Clinical Group

CSS provides laboratory medicine, imaging, allied health professional services, critical care, anaesthesia and perioperative medicine and pharmacy across MFT.

Local Care Organisations & Dental (LCO & Dental) Clinical Group

This group incorporates Manchester Local Care Organisation (MLCO) and Trafford Local Care Organisation (TLCO) that provide NHS Community Health and Adult Social Care services. The group also includes University Dental Hospital of Manchester (UDHM) – University Dental Hospital of Manchester (UDHM) is a specialist dental hospital and provides dental services across MFT.

Manchester Royal Infirmary (MRI) Clinical Group

MRI is an acute teaching hospital and provides general and specialist services including vascular, major trauma, kidney and pancreas transplant, haematology and cardiac services.

North Manchester General Hospital (NMGH) Clinical Group

NMGH provides a full range of general hospital services to its local population and is the base for the region's specialist infectious disease unit.

Who We Are

Specialist Hospitals Clinical Group (SHCG)

This group is comprised of Royal Manchester Children's Hospital (RMCH), Saint Mary's Managed Clinical Service (SMMCS) and Manchester Royal Eye Hospital (MREH).

- RMCH is a specialist children's hospital and provides general, specialised and highly specialist services for children and young people across the whole of MFT.
- SMMCS is a specialist women's hospital as well as being a comprehensive Genomics Centre and provides general and specialist medical services for women, babies and children across Manchester University Foundation Trust (MFT).
- MREH is a specialist eye hospital and provides inpatient and outpatient ophthalmic services across MFT.

Wythenshawe, Trafford, Withington & Altrincham (WTWA) Clinical Group

Wythenshawe is an acute teaching hospital and provides specialist services including cardiac services, heart and lung transplantation, respiratory conditions, breast care services. Trafford Hospital is home to the Manchester Elective Orthopaedic Centre as well as specialist rehabilitation services. Withington and Altrincham hospitals principally provide out-patients services.

Research & Innovation (R&I)

Research and Innovation activity is conducted across all our Clinical Groups supported by more than 600 R&I colleagues, including our integrated Research Office, Clinical Delivery and Operational Management teams, Innovation services, and MFT-hosted organisations. These include Health Innovation Manchester and one of the largest National Institute for Health and Care Research (NIHR) portfolios in the country, comprised of:

- NIHR Applied Research Collaboration Greater Manchester (ARC)
- NIHR Manchester Biomedical Research Centre (Manchester BRC)
- NIHR Greater Manchester Commercial Research Delivery Centre (CRDC)
- NIHR Manchester Clinical Research Facility (CRF)
- NIHR HealthTech Research Centre in Emergency and Acute Care (HRC)
- NIHR North West Regional Research Delivery Network (RRDN)



Our Strategy: *Where Excellence Meets Compassion*

Our five-year strategy confirms *our mission to work together to improve the health and quality of life of our diverse communities*. It sets out:

- Five strategic aims and the difference that we will make in delivering them.
- 11 objectives that describe the things that we will do in the coming years to deliver our aims.
- Specific actions under each objective that we will prioritise as we deliver our strategy. These actions do not cover everything that we are doing as an organisation, but they will be our areas of focus in the coming years as we believe they will make the biggest difference.

Our aims, objectives and actions will shape the work that we do over as an organisation, both as teams and as individuals.

Whilst our objectives and actions refer to specific services and programmes of work, they also provide a framework to guide all our plans across the whole of MFT. Different objectives and actions might be more relevant for some of our teams than others, but everyone across our organisation should see something in the strategy that reflects the important work they do at MFT.

Work with partners to help people live longer, healthier lives



More people being supported to live healthy lives in the community with fewer people needing to use healthcare services in an unplanned way.

We will work with partners to target the biggest causes of illness and inequalities, supporting people to live well from birth through to the end of their lives, reducing their need for healthcare services.

We will improve the experience of children and adults with long-term conditions, joining-up primary care, community and hospital services so people are cared for in the most appropriate place.

Provide high quality, safe care with excellent outcomes and experience



More people recommending MFT as a place to be treated.

We will provide safe, integrated, local services, diagnosing and treating people quickly, giving people an excellent experience and outcomes wherever they are seen.

We will strengthen our specialised services and support the adoption of genomics and precision medicine.

We will continue to deliver the benefits that come with our breadth and scale, using our unique range of services to improve outcomes, address inequalities and deliver value for money.

Be the place where people enjoy working, learning and building a career



More people recommending MFT as a place to work.

We will make sure that all our colleagues feel valued and supported by listening well and responding to their feedback. We will improve staff experience by embracing diversity and fairness, helping everyone to reach their potential.

We will offer new ways for people to start their career in healthcare. Everyone at MFT will have opportunities to develop new skills and build their careers here.

Ensure value for our patients and communities by making best use of our resources



Make the biggest possible difference with the resources we have by delivering our financial plans.

We will achieve financial sustainability, increasing our productivity through continuous improvement and the effective management of public money.

We will deliver value through our estate and digital infrastructure, developing existing and new strategic partnerships.

Deliver world-class research & innovation that improves people's lives



More people participating in and benefitting from world-class research and innovation.

We will strengthen our delivery of world-class research and innovation by developing our infrastructure and supporting staff, patients and our communities to take part.

We will apply research and innovation, including digital technology and artificial intelligence, to improve people's health and the services we provide.



Our Values

The way that we work is underpinned by our values statement that ***Together Care Matters*** and our values and behaviours framework (shown in the graphic below). These values and associated behaviours will drive both the development and the delivery of the plans set out in this document.



Because we are compassionate we will...

- Care about people, focusing on the needs of all our patients and staff.
- Reduce our impact on the environment.
- Support local people and the local economy in our role as a large local employer and consumer.

Because we are we are curious we will...

- Use digital technology and other innovations to improve the way we work for patients and our colleagues.
- Use data, insight and evidence to inform the way we deliver services and make decisions.

Because we are collaborative we will...

- Involve patients and our communities in the planning and delivery our services.
- Work together as one team across MFT.
- Work together with partners across Greater Manchester.
- Use our influence locally and nationally to the benefit of our patients, our communities and our partners.

Because we are open and honest we will...

- Listen and respond to feedback from staff, patients, communities and partners.
- Celebrate our successes.
- Be honest about where things can be better and share learning to make improvements.

Because we are always inclusive we will...

- Address health inequalities, ensuring everyone can get the care they need and the best possible outcomes whatever their identity or background.
- Build a diverse workforce at all levels in which everyone can belong, and which reflects the people who use our services, helping us to deliver better care and build trust with our communities.

Context

As part of a wider health and care system it is important that what we do aligns with the aims and objectives of our partner organisations.

The following describes the priorities for NHS England and Greater Manchester Integrated Care System.

The 10-Year Plan and the ‘Three Shifts’

The NHS 10-Year Plan aims to create a modern, efficient, and equitable healthcare system that meets the changing needs of the population. The plan focuses on integrating advanced technologies, improving patient outcomes, and ensuring equitable access to healthcare services. It involves collaboration between various departments and continuous engagement with the public to build trust in data practices and the benefits of digital transformation.

The next NHS 10 Year Plan is expected to be published in the spring of 2025. This plan will outline the major shifts needed to ensure the NHS is fit for the future.

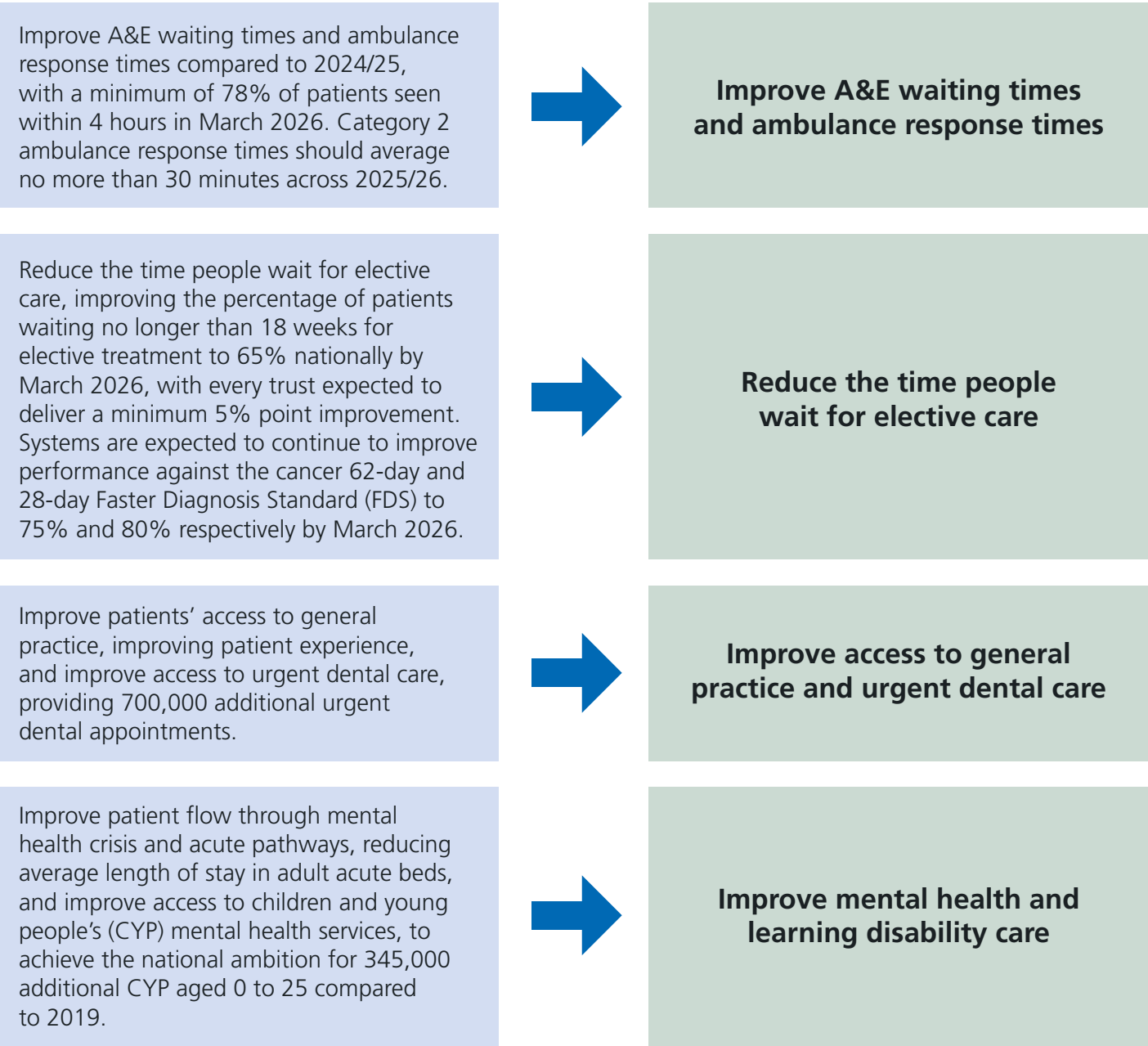
Three Key Shifts in the NHS 10 Year Plan:

- 1. From Sickness to Prevention:** The plan emphasises spotting illness earlier and tackling the causes of ill health. This shift aims to help people stay healthy and independent for longer, reducing the pressure on health and care services.
- 2. From Hospital to Community:** There will be a significant move towards providing more care in community settings rather than hospitals. This shift is intended to make healthcare more accessible and allow hospitals to focus on the most serious illnesses and emergencies.
- 3. From Analogue to Digital:** The integration of AI and digital health records will play a central role in improving patient outcomes and operational efficiency. This shift involves adopting digital tools to enhance patient care and ensure equitable access to healthcare services.

These shifts are designed to create a healthcare system that is more efficient, effective, and equitable for all patients.

National Priorities for 25/26

The operational planning guidance issued by NHS England sets out the national priorities to improve patient outcomes for the coming year. The tables below summarise these priorities and the expectations of NHS England as to how local systems work to support their delivery



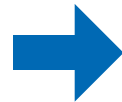
Context

National Priorities for 25/26

In delivering on these priorities for patients and service users, ICBs and providers must work together, with support from NHS England, to:

Drive the reform that will support delivery of our immediate priorities and ensure the NHS is fit for the future. For 2025/26 ICBs and providers are to focus on:

- reducing demand through developing Neighbourhood Health Service models with an immediate focus on preventing long and costly admissions to hospital and improving timely access to urgent and emergency care
- making full use of digital tools to drive the shift from analogue to digital
- addressing inequalities and shift towards secondary prevention.



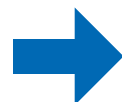
Address inequalities and shift towards prevention

Maintain our collective focus on the overall quality and safety of our services, paying particular attention to challenged and fragile services including maternity and neonatal services, delivering the key actions of 'Three year delivery plan', and continue to address variation in access, experience and outcomes.



Maintain our collective focus on the overall quality and safety of our services

Live within the budget allocated, reducing waste and improving productivity. ICBs, trusts and primary care providers must work together to plan and deliver a balanced net system financial position in collaboration with other integrated care system (ICS) partners. This will require prioritisation of resources and stopping lower-value activity.



Live within the budget allocated, reducing waste and improving productivity



Context

Greater Manchester Integrated Care System

The Greater Manchester Integrated Care Strategy sets out the plan to improve the health and wellbeing of the population. It sets out 6 missions, 4 outcomes and 10 high-level commitments which are summarised below.

Six Missions

- Strengthen our communities.
- Help people get into – and stay in – good work.
- Recover core NHS and care services.
- Help people stay well and detect illness earlier.
- Support our workforce and our carers.
- Achieve financial sustainability.

Four Outcomes

- Everyone has an opportunity to live a good life.
- Everyone has improved health and wellbeing.
- Everyone experiences high quality care and support where and when they need it.
- Health and care services are integrated and sustainable.

Ten ‘Commitments’

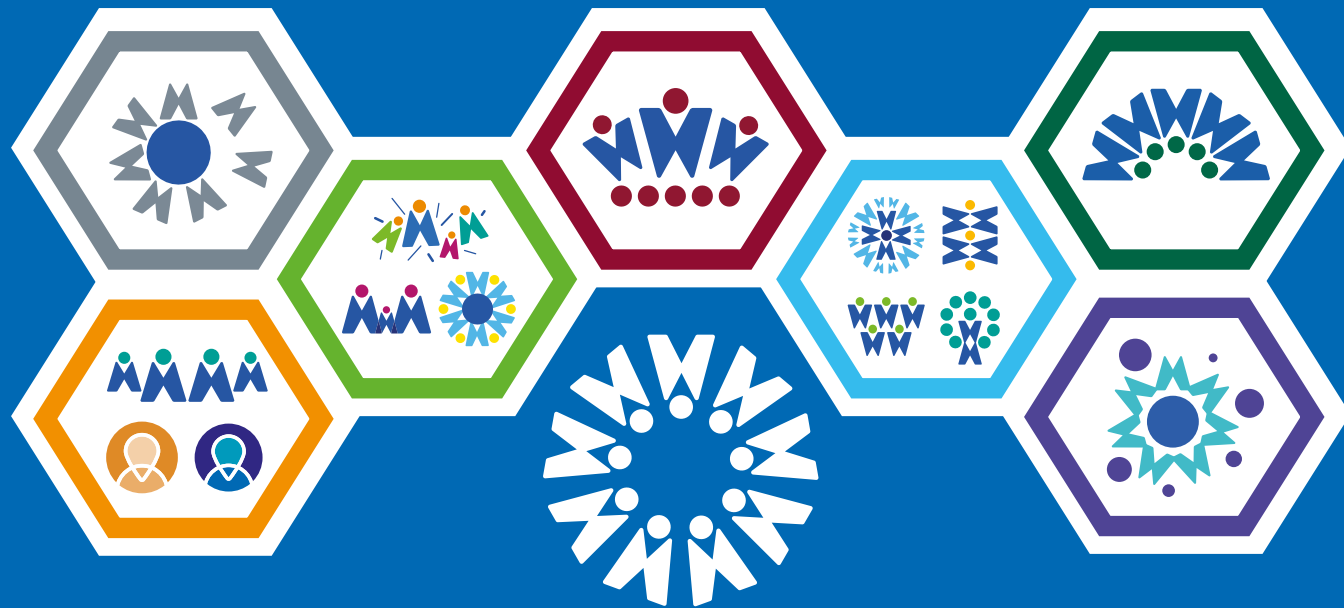
- Ensure our children and young people have a good start in life.
- Support good work and employment and ensure we have a sustainable workforce.
- Play a full part in tackling poverty and long-standing Inequalities.
- Help to secure a greener Greater Manchester with places that support healthy and active lives.
- Help individuals, families and communities feel more confident in managing their own health.
- Make continuous improvements in access, quality, and experience – and reduce unwarranted variation.
- Use technology and innovation to improve care for all.
- Ensure all our people and services recover from the effects of the COVID-19 pandemic as effectively and fairly as possible.
- Manage public money well to achieve our objectives.
- Build trust and collaboration between partners to work in a more integrated way.

Alignment with National Health Service England and Greater Manchester

The graphic below shows how the NHS England priorities and the missions of the Greater Manchester ICP strategy align with our strategic aims.



Priorities and Plans for 2025/26



Beyond this high-level alignment, more detailed work has been undertaken to agree priorities across MFT in the coming year which will help to deliver our MFT strategy and respond to the challenges and opportunities that we currently face as an organisation. The following section sets out a summary of the high-level priorities for MFT. More detailed operational plans to support their delivery have been developed by each Clinical Group and Corporate Team.

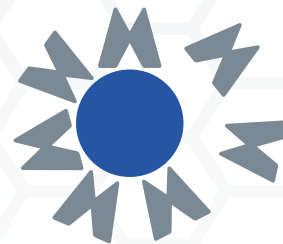
Our MFT priorities

Our MFT priorities are those actions on which the organisation, and Trust Leadership Team, will focus its collective energy and leadership. They are:

- Increase the range of integrated services offered to people in the community, moving care out of a hospital setting where possible to help address health inequalities.
- Increase secondary prevention activity across the Trust to improve health and address inequalities.
- Continue the development of Genomic Medicine across MFT and beyond so that we build on our position as a national leader.
- Improve the way in which we involve patients and the public in how we plan and deliver our services.
- Embed the safety framework, empowering and training colleagues with the skills to improve safety.
- Continue to reduce waiting times.
- Deliver our ongoing culture change programme, building an inclusive organisation where everyone has a sense of value and belonging.
- Deliver an improved operating model for the Trust through the OneMFT programme.
- Progress plans to redevelop the NMGH campus, delivering a refreshed OBC whilst making best use of existing estate across MFT.
- Implement plans to ensure that we are a data-driven organisation.
- Level-up digital maturity in our Local Care Organisations and community services.
- Improve our productivity and increase commercial income to deliver our financial plan.
- Grow the volume and value of our research and innovation activity.
- Improve the strategic alignment between MFT and our university partners.

In addition to our MFT priorities, each Clinical Group has identified a small number of areas on which it plans to focus over the coming year which are detailed on the following pages.

Clinical & Scientific Services Clinical Group



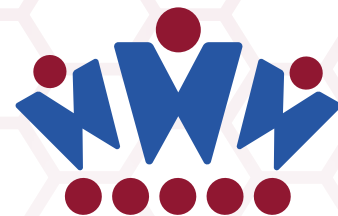
- GM diagnostic collaboration: drive forward a mature, resilient and cost-effective clinical delivery model for pathology, imaging and pharmacy.
- Diagnostic improvements: deliver national performance standards and targets in relation to diagnostic wait reduction and screening programmes including those set for elective and cancer care. Optimise our physical and modality capacity, including our Community Diagnostic Centres.
- Collaboratively deliver the MFT Strategic Delivery Plans for Genomics and Advanced Diagnostics and Advanced Therapies.
- Successful transition of MFT Pre-Op Assessment into CSS from April 2025, embedding a consistent and resilient delivery model which will help to improve patient experience and theatre utilisation.
- Ordering Wisely: ensure diagnostic demand and medicines supply are clinically and patient orientated reducing duplication and waste.

Local Care Organisations & Dental Clinical Group



- Work with partners including primary care to review the role and core offer of integrated health and social care neighbourhood teams, implementing joint plans for improved population health, long-term conditions (LTCs), physical and mental health, learning disability and autism.
- Work with Manchester City Council to continue the delivery of integrated community health and social care including the Achieving Better Outcomes Together programme.
- Develop and deliver LCO digital improvement plan including an Outline Business Case for a community EPR and digital infrastructure.
- Progress UDHM redevelopment and formalise the partnership with the UoM on the Cary's Bannister facility. Develop an integrated UDHM and community dental approach to improve oral health outcomes.
- Work with partners across MFT and the wider system to deliver the agreed Hospital@Home occupancy (95%) and improved discharge pathways through delivery of the Care Closer to Home programme.
- Work with GM, Trafford and Manchester partners on consistent offer and investment in community services and deliver jointly agreed Sickle Cell & Thalassemia SDP.

Manchester Royal Infirmary Clinical Group



- Realise the benefits of our Care Closer to Home programme with system partners, enabling a shift of care to the place that best meets the needs of patients and families, thereby improving the safety, experience and efficiency of our urgent and emergency care pathways.
- Implement systematic improvements to our elective and cancer pathways to improve productivity and reduce waiting times, integrating robotics into our services.
- Successfully deliver and realise the benefits for patients and services of the capital investments in RED ED, hybrids/theatres, theatre and ward lifecycle, 16-bed ward, Wythenshawe endoscopy and robotics.
- Successfully navigate strategic planning affecting our specialised services for GM with partners inside and outside MFT, notably vascular and major trauma. Ensure compliance with national standards alongside delivering changes to leadership for Single Services.
- Deliver value-based health care, improving productivity to achieve a sustainable financial plan.

North Manchester General Hospital Clinical Group



- Ensure safe, high-quality care by fostering a culture of continuous improvement, adhering to strict safety protocols and minimising risk. Implement robust cleanliness and infection control measures, safe staffing and maintain a culture where safety concerns can be raised and addressed in a supportive environment.
- Implement the UEC improvement programme to ensure our patients receive safe and timely urgent & emergency care, including achievement of the 4-hour standard, ambulance turnaround times, and a reduction in No Criteria To Reside patients.
- Progress plans for MFT to develop a regional lead provider service for OMFS, working with GMICB and other GM providers. Continue to build the Infection Service across MFT and regionally ensuring equity of access, with a focus on the control and treatment of infection.
- Complete safe disaggregation of T&O services from NCA. Embed changes to MSS leadership & clinical models in Trauma and Orthopaedics and OMFS/Oral Surgery, creating fully integrated services across MFT and improving quality and access for patients.
- NMGH Redevelopment: Deliver the Target Operating Model, clinical design and other milestones, collaborating with other Clinical Groups.



Specialist Hospitals Clinical Group



- Identify and ensure a plan for strategic estates issues, including the appraisal process to identify and deliver plans to relocate the Department of Reproductive Medicine (DRM) service.
- Build on our position as a leading provider of Genomics services through the delivery of key developments including consolidation and expansion of services, automation, pharmacogenomics and responding to the national tender (2025/26).
- Launch the Children's Health Research Institute in 2025/26, establish clinical leadership and marketing of the Manchester Eye Research Centre and develop the SM MCS Research & Innovation forum.
- Development and delivery of Strategic Delivery Plans (SDP) including Ophthalmology, Advanced Diagnostics and Genomic Medicine, Children's, and Advanced Therapies, including aligning these to SHCG new workforce plan and transformation of services to our financial sustainability plan.
- Deliver quality and performance improvement to our services, including a focus on transforming the gynaecology model of care to improve waiting times and access for patients, improving the CQC Maternity rating by ensuring compliance with the recommendations for all eight key objectives, and addressing backlogs including long waits and follow-up patients in ophthalmology and children's services.

Wythenshawe, Trafford, Withington & Altrincham Clinical Group



- Transform our elective services to enhance patient experience and safety and deliver improved waiting times trajectories on a sustainable and cost-effective basis.
- Ensure our patients receive safer, timelier urgent and emergency care, with improved delivery, flow and better use of our resources. Engage with work across MFT with primary and community care to optimise community and hospital pathways.
- Define and deliver clear integrated plans for the improvement and development of cardiac services in MFT, progressing the cath lab replacements at MRI and Wythenshawe and embedding the single surgical centre with improved throughput, waiting times and patient experience.
- Support our staff and the delivery of our strategy by implementing the MFT People Plan, embedding organisational culture programmes, training and development plans for the Clinical Group.
- Agree clear strategic directions and plans for each of the services we lead, supported by a systematic approach to research & innovation and digital optimisation.

Research & Innovation



- ◆ Deployment of year one actions of the R&I Strategy 2024-29.
- ◆ Deployment of the innovative Technology Adoption Programme (iTap) to identify, rapidly assess suitability, and adopt into use new systems to help us work more efficiently across the Trust.
- ◆ Deployment of the new NIHR Manchester Commercial Research Delivery Centre from 1 April 2025 as part of our overall increase in commercially related and income generating activities.
- ◆ Deployment of an ethical, safe and inclusive policy to create value from data sharing for commercial purposes.
- ◆ Deployment of internally and externally led reviews of R&I processes to continually optimise efficiency and performance.



Finance

Like many areas of the public sector, the NHS is operating within a challenging financial environment. Similar to 2024/25, Greater Manchester ICB must reduce its deficit while funding increased activity levels across many of the services to improve on waiting times.

The Trust is planning on delivering a breakeven financial plan, in line with year 2 of the Trust Financial Recovery Plan (FPR) which was approved by the Trust Board in July 2024.

The majority of clinical income the Trust receives is on a block basis, with only Elective activity (c.17% of income) paid dependant on levels of activity delivered. Whilst the 'cap' on additional activity payments for elective work to providers has been removed, the alternative requirements require us to agree an Indicative Activity Plan (IAP) with our commissioners that is both affordable and delivers performance requirements. Activity, and therefore payment, is to be managed within the parameters of this IAP in year.

The Trust is working with commissioners to determine the optimal approach for managing affordability and performance requirements collectively.

The Value for Patients (VfP) target for 2025/26 is again challenging and with a £17.8m increase on last year's target, at £165.8m (5.8% of relevant operating expenditure). Over 40% of the VfP programme was delivered non-recurrently in 2024/25. It is anticipated that there will be little remaining non-recurrent opportunities that could potentially be used in the same way in 2025/26 so it is essential that recurrent savings are delivered through the VfP programme this year.

2025/26 Income and Expenditure Plan

The Trust has sought to develop a realistic plan for 2025/26 to enable financial governance and accountability across Clinical Groups and Corporate teams moving into the new financial year.

The 2025/26 plan is for a breakeven position in line with the FPR. The plan includes £165.8m (5.8% of expenditure) of Value for Patients.

The plan position has been derived from a combination of top-down and bottom-up work throughout the Trust.

The Trust is working with GM ICB agree a contract position which will fund delivery of activity to fully deliver the performance standards. This will require demand management schemes which will be agreed jointly between the Trust and commissioners

Budgets for 2025/26 for the Clinical Groups and Corporate teams are based on 2024/25 forecast outturn after adjustments for non-recurrent elements, uplifts for 2025/26 activity assumptions and 2025/26 VfP allocations with national guidance on pay inflation applied. This is to recognise the financial impacts of the current hybrid payment mechanism of a fixed envelope with a partially variable ERF. It also recognises the change in operational requirements and the impact of high inflation levels over the past few years.

2025/26 Income and Expenditure Plan

The assumptions set out above result in the Income & Expenditure financial plan for 2025/26, as summarised in the table below (note the 2024/25 position is as per the pre-audited 2024/25 year end position).

Extract from Income and Expenditure 2024/25 Plan

I&E Category	2024/25 Outturn at M12 £m	2025/26 Plan £m
Patient Care Income	2,666.7	2,710.3
Other Operating Income	424.8	332.6
Total Income	3,091.4	3,042.9
Employee Expenses	(1,902.3)	(1,817.5)
Other Operating Expenses	(1,186.2)	(1,214.8)
Total Expenditure	(3,088.5)	(3,032.3)
Operating Surplus / (Deficit)	2.9	10.6
Total Financing Costs	(52.6)	(52.3)
Surplus / (Deficit)	(49.6)	(41.7)
<i>Adjusting Items:</i>		
Impairments	67.1	78.7
Capital Donations / Grants / Depreciation	(5.1)	(16.4)
Adjustment for PFI Revenue Cost to UK GAAP Basis	(8.8)	(20.6)
Total Adjustments	53.2	41.7
Adjusted Surplus / (Deficit)	3.6	(0.0)



Finance

Value for Patients Efficiency Requirement

The overall Trust savings requirement through the Value for Patients programme is £165.8m, the Trust's highest ever target, which represents 5.8% of GM ICB prescribed controllable operating expenditure. This will be delivered through;

- Transformational initiatives to provide more efficient service provision to patients.
- Working with system partners to collaborate across both clinical and supporting functions.
- Strengthening cost control mechanisms to ensure every pound spent is benefiting our patients.
- Reviewing Corporate cost growth over the last 6 years following guidance from NHSE, and looking at how we can ensure funding is allocated to areas that will make the most benefit to our patients.
- Maximising Commercial income.

Capital Planning 2025/26

The total draft capital programme for MFT for 2025/26 is expected to be £101.7m and summarised in the table on the following page. It is made up of the following categories:

- Capital Departmental Expenditure Limit (CDEL) which is funded by MFT but must comply with a GM allocated Trust envelope. This category also includes International Financial Reporting Standard 16 (IFRS 16) leases.
- Public Dividend Capital (PDC) which is cash-backed nationally.
- Grant and charity capital schemes that receive external funding.
- PFI lifecycle costs which are funded by MFT.

Discussions are still ongoing with GM ICB and national teams in relation to further PDC allocations.

Prioritisation of MFT's internal plan to reach a position complying with the GM envelope requirements is ongoing following a risk-based prioritisation approach.

Finance

Summary of 2025/26 Capital Plan

Funding Stream	2025/26 Draft Capital Plan £m
GM CDEL	
GM Envelope	24.5
GM Bespoke Agreement (CDC Withington)	1.6
IFRS 16 Leases	5.6
Total GM CDEL Allocation	31.7
PDC Funded	
RAAC	7.4
Estates Safety	5.8
New Hospitals Programme	10.3
Net Zero	2.1
Constitutional Standards	6.8
Total PDC Funded	32.3
PFI Capital Charges (UK GAAP)*	2.0
Total CDEL	66.0
Capital Outside of CDEL	
Grant and Charity	5.0
PFI Lifecycle	30.7
Total Capital Programme	101.7

* PFI capital charges is a technical adjustment only that is required by NHSE to be included for the UK GAAP accounting basis.

2025/26 Cash Flow – Main Assumptions

The Trust’s planned cash flow for 2025/26 recognises repayment commitments against existing Department of Health loans and Private Finance Initiative liabilities, and investment in the capital programme. There is an overall cash improvement of c.£14m to a closing cash position as of the 31 March 2026 of £84.8m. In arriving at this position, we have assumed a breakeven I&E position and that VfP will be fully achieved with cost reducing schemes. Within working capital there is an assumption of £20m of flexibilities released to support the I&E position. Net operating costs are evenly profiled throughout the year, and capital creditors and impairments are in line with the profile in previous years.

The capital programme requires that PDC cash draw down takes place throughout 2025/26 for all schemes in line with expenditure.

2025/26 Balance Sheet – Main Assumptions

The material movements in the trust balance sheet over the financial year 2025/26 arise from c.£141.9m asset additions and a forecasted building revaluation, offset by £155.0m depreciation and impairments of tangible and intangible assets. The planned reduction in receivables is driven by the in-year release of a material income accrual for ICB and NHSE income relating to 2024/25. The decrease in payables is driven by a reduction in both capital creditors and accruals, with higher capital creditors in April 2025 following expenditure in March 2025 that are expected to reduce over the 2025/26 year.

Extract of the Balance Sheet from the 2025/26 Plan

Category	Opening 01/04/2025 £m	Closing 31/03/2026 £m	Movement £m
Tangible and Intangible Assets	1,108.7	1,095.6	(13.1)
Investments	0.8	0.8	0.0
Non-Current Receivables	18.7	18.7	0.0
Non-Current Assets	1,128.2	1,115.1	(13.1)
Inventories	28.7	31.7	2.9
Recievables	172.6	139.1	(33.5)
Non-Current Assets Held for Sale	0.2	0.2	0.0
Cash and Bank	70.5	84.8	(14.3)
Current Assets	272.0	255.8	(16.2)
Payables	(370.0)	(346.4)	23.6
Short-term Borrowings	(37.9)	(37.5)	0.4
Short-term Provisions and Other Liabilities	(37.1)	(34.4)	2.6
Current Liabilities	(445.0)	(418.3)	26.7
Long-term Borrowings	(721.8)	(702.3)	19.6
Longer-term Provisions and Other Liabilities	(13.2)	(13.4)	(0.2)
Non-Current Liabilities	(735.1)	(715.7)	19.4
Total Net Assets Employed	220.2	236.9	16.7
Public Dividend Capital (PDC)	576.9	609.3	32.3
Revaluation Reserve	223.4	249.5	26.1
I&E Reserve	(580.1)	(621.9)	(41.7)
Total Taxpayer’s Equity	220.2	236.9	16.7

Finance

Key Risks and Mitigations to Deliver the Financial Plan

The plan, as set out in this paper, carries significant levels of risk. Some mitigations have been identified, and work is ongoing to strengthen and further develop mitigations. The risks and mitigations are summarised in the table below.

Risk	Detail	Mitigation
Value for Patients	Delivery of the required value for patients programme on a recurrent basis. The scale will require at least containment of staffing costs.	Workstreams are in progress at pace to identify and implement schemes. All efforts are being made to deliver our efficiencies on a recurrent basis, However, there will some be non-recurrent release in year.
Income	Income expectations need to be aligned to commissioner affordability.	Ongoing discussions with commissioners to agree a confirmed position with regular review in year to identify any risks and develop mitigations.
Expenditure	The Trust does not have contingency funding ringfenced for in year pressures.	Funding for pressures will require prioritisation within existing budgets, or agreement of additional funding from commissioners where appropriate. The position will be reviewed on a monthly basis and mitigations identified for any emerging pressures
Cash	It is anticipated cash support could be required in the quarter two.	Cash Management Group established to maximise cash receipts into the organisations.
Capital	Availability of capital envelope to support the delivery of operational priorities.	Involvement in internal and external capital prioritisation processes from key stakeholders, position reviewed on a monthly basis. Engaging locally and nationally to identify any in year capital funding opportunities and applying where appropriate.
Patient Safety & Experience	Patient safety and experience maintained in context of significant change management and VfP programme.	Quality Impact Assessments will be carried out for VfP plans to ensure that they do not compromise patient safety. The change management programme also considers impact to patients.
Staff Experience	Staff experience needs to be maintained during the significant change management and VfP programme.	Quality Impact Assessments will be carried out for all VfP plans to ensure that any impact on staff is understood and mitigated. The change management programme also considers impact to staff.

Closing Summary

The financial plan for 2025/26 along with its component parts and material risks and mitigations is set out above. The plan submitted is for a breakeven position on a control total basis. To achieve this position, the overall 2025/26 financial delivery challenge faced by the Trust is currently to achieve £165.8m of Value for Patients efficiency savings and all areas across MFT to operate within their allocated control totals. It is acknowledged that is a significant challenge alongside maintaining the performance requirements.

The Trust’s liquidity position has deteriorated over the last year, and there is a risk that revenue cash support will be required from quarter 2 if there is significant deterioration from the financial plan assumptions. The proposed capital programme for 2025/26 is £101.7m which driven by the GM capital envelope allocation and is lower than the MFT internal requirement. Mitigations have been identified for these risks to delivery of the financial plan and will be reviewed and developed further on a monthly basis.



Monitoring and Managing Delivery

Delivery of the plan will be monitored in the following ways:

The Delivery Oversight Framework (DOF) is the process through which we monitor, maintain and improve the performance of our Clinical Groups and corporate teams in delivering our agreed objectives and standards. It includes regular meetings with Clinical Groups and corporate teams to review performance and the delivery of annual plans. Once a quarter for Clinical Groups, and twice a year for corporate teams, formal review meetings are chaired by the Trust Chief Executive.

The Delivery Oversight Framework is underpinned by our **Integrated Performance Report (IPR)** which contains the key metrics against which performance is measured. The IPR acts as a 'single version of the truth' and supports performance reporting throughout the organisation, right the way through to the Board of Directors.

The Board also receives assurance regarding the delivery of our strategic objectives through the **Board Assurance Framework (BAF)**, which is considered at each Board meeting. The BAF presents the Board with evidence of delivery against each strategic objective, highlighting key risks and setting out mitigations. Before being presented to the Board it is reviewed by the Board Committees, each of which has a role in ensuring delivery of a number of our strategic objectives.

The Council of Governors plays an important role in scrutinising our annual plan as it is developed, as well as its delivery at key points in the year, representing the views of our members.



Glossary

A&E	Accident and Emergency	MSS	Managed Single Service
ARC	NIHR Applied Research Collaboration Greater Manchester	NCA	Northern Care Alliance NHS Foundation Trust
BAF	Board Assurance Framework	NHS	National Health Service
CDEL	Capital Departmental Expenditure Limit	NHSE	National Health Service for England
CRDC	NIHR Greater Manchester Commercial Research Delivery Centre	NIHR	The National Institute for Health and Care Research
CRF	NIHR Manchester Clinical Research Facility	NMGH	North Manchester General Hospital
CSS	Clinical and Scientific Services	OBC	Outline Business Case
CYP	Children and Young People	OMFS	Oral and Maxillofacial Surgery
DOF	Delivery Oversight Framework	OneMFT	MFT's implementation of the Target Operating Model
DRM	Department of Reproductive Medicine	PDC	Public Dividend Capital
ED	Emergency Department	Pre-Op	Perioperative Assessment
ERF	Elective Recovery Fund	R&I	Research and Innovation
FDS	Faster Diagnosis Standard	RAAC	Reinforced autoclaved aerated concrete
GM	NHS Greater Manchester	RED	'Renovation of Emergency Department' – also known as Project RED
Hospital @Home	A system for delivering elective care in the community	RMCH	Royal Manchester Children's Hospital
HRC	NIHR HealthTech Research Centre in Emergency and Acute Care	RRDN	NIHR North West Regional Research Delivery Network
ICB	Integrated Care Board	SDP	Strategic Delivery Plan
ICS	Integrated Care System	SMMCS	Saint Mary's Managed Clinical Service
IFRS 16	International Financial Reporting Standard 16	T&O	Trauma and Orthopaedic
iTap	innovative Technology Adoption Programme	TLCO	Trafford Local Care Organisation
LCO	Local Care Organisation	UDHM	University Dental Hospital Manchester
Manchester BRC	NIHR Manchester Biomedical Research Centre	UEC	Urgent and Emergency Care
MCS	Managed Clinical Service	VfP	Value for Patients
MFT	Manchester University NHS Foundation Trust	WTWA	Wythenshawe, Trafford, Withington and Altrincham
MLCO	Manchester Local Care Organisation		
MREH	Manchester Royal Eye Hospital		
MRI	Manchester Royal Infirmary		



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