NHS
Manchester University
NHS Foundation Trust

One Year Post-Merger Report
November 2018

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Foreword

Manchester University NHS Foundation Trust (MFT) was launched on 1st October 2017. The new organisation brought together a group of nine hospitals plus community services, providing a once in a lifetime opportunity to deliver even better services for the people of Manchester, Trafford and beyond.

Our first priority was to keep services running safely and smoothly. On day one, patients saw little change apart from the new name and new lanyards for staff. We wanted to minimise disruption to maintain stability for staff and ensure patient safety.

We quickly started detailed planning to maximise the opportunities to improve services for patients and address the health inequalities that exist in the City of Manchester, Trafford and the wider communities we serve. We started to deliver changes steadily and we are pleased to see some major improvements for patients being delivered already. Behind the scenes significant work has also taken place to consolidate the systems, policies and processes that support the day-to-day operation of a major organisation.

Designing and embedding new governance and leadership structures was a key component of our early work. It took a great deal of effort and support from staff and, as a result, we now have an organisational structure that is fit for purpose. This means we can press on to finalise the service strategy which will support more fundamental transformation over the coming years. This is exciting work which will continue to involve staff from across our nine hospitals and community services, along with partner organisations.

All this work has taken place against a challenging backdrop. Like other NHS Trusts, we face increasing demand on our services, workforce challenges and financial pressures. Despite this headwind our staff have continued to deliver outstanding care whilst also developing single services and delivering early transformation. We would like to thank them for their unrelenting efforts and support in establishing MFT, and for the steps they have taken to maintain and improve services for patients.

We look forward to continuing the development of MFT, and remain excited about the potential for us to reduce variation in care so that all patients can get the same standard of service no matter where they are in MFT. Together we can achieve an international reputation and exceed all expectations across care provision, education and training, and research and innovation for the benefit of patients.

Kathy Cowell OBE DL
Chairman

Sir Michael Deegan CBE
Chief Executive

Executive Summary

Manchester University NHS Foundation Trust was created through the merger of Central Manchester NHS Foundation (CMFT) and University Hospital of South Manchester NHS Foundation Trust (UHSM) on 1st October 2017.

This One Year Post-Merger Report provides an overview of the Trust's establishment and first year of operation. It outlines the new organisational structure including the scope and scale of services it provides before setting out the vision and values that have been collaboratively developed with staff. It explains the initial priorities of the organisation, including the primary objectives of maintaining stability and continuing to deliver core activities safely.

The Report explains that a new organisation structure has been established comprising both traditional hierarchies and new networks that run across the breadth of the organisation. It outlines how the Trust's formal governance arrangements have been set up and how the Hospital, Managed Clinical Services and Clinical Standards Groups function and interact. It also confirms that despite the significant levels of change staff engagement to date has remained strong.

The Report confirms that the main driver for the creation of MFT was the opportunity to deliver significant patient benefits across the full range of services offered. These span improvements in patient safety, clinical quality and outcomes, to improvements in the experience of patients, carers and their families. It explains how the Trust is developing its overarching service strategy, setting out a long term vision that will shape how services are provided in the future. This service strategy work will inform the delivery of significant service transformation over the coming years.

"The overriding reason for the merger was to create single hospital services for the people in Manchester and Trafford and, to make sure every person using our hospitals and community services receives the same excellent experience and quality of care, no matter where they live or where they access care. During our first year we have seen many examples of staff working together to improve standards of care for patients and their families."

Professor Cheryl Lenney, Chief Nurse

The Report outlines that delivery of patient benefits has commenced with major improvements already evidenced in services ranging from lithotripsy and urgent gynaecology services to the better management of patients suffering a fractured neck of femur. Across the organisation staff have been working to develop single services that build on the strengths of the predecessor organisations. This work has been underpinned by efforts to consolidate systems, processes and policies in support services, such as IT, finance, HR and workforce.

The creation of MFT and subsequent work to fully establish the organisation has been a significant undertaking. The Trust has learnt useful lessons during this process and these are set out in the Report. This learning will go on to inform MFT's future work, including the proposed acquisition of North Manchester General Hospital. It is hoped that other NHS organisations will also be able to benefit from this learning.

Key Messages

The value of having a credible, robust and adaptable Post-Transaction Integration Plan (PTIP) cannot be overstated. The PTIP provided the Group Board of Directors and external scrutineers with a framework to assess progress and gain assurance about the merger. More importantly it afforded staff, clinical leaders, managers and transformation teams a framework against which to operate from day one of the merger.

Having a dedicated Single Hospital Service/ Integration Team avoided the deployment of external consultancy and enabled delivery of the PTIP as a local product recognised and owned by staff. It also provided a resource to coordinate post-merger work including the transition from merger change processes to business as usual linked to portfolios of individual Group Executive Directors and Hospital and Managed Clinical Services Chief Executives.

Communicating and engaging with staff was crucial throughout the merger. Staff were central to the planning and delivery of the merger work and the subsequent development of the Vision and Values of the new Trust. Despite the significant level of change that has taken place staff engagement remains strong.

The establishment of an Integration Steering Group with active involvement of Group Executive Directors has been critical in driving change, tracking patient benefits and planning for Year Two of the merger.

The new organisational structure and governance arrangements were well planned pre-merger and established relatively quickly. Combining hierarchy and certain reporting arrangements with defined structures offered clear lines of accountability without stifling innovation, agility and flexibility. Matrix working has, and continues to be, encouraged.

A key element of post-merger work has been the consolidation of systems, processes and policies on a priority basis to ensure MFT operates as a single entity. This work is complex and will continue to receive attention as part of the PTIP work stream.

As planned, the development of the Trust's long term service strategy is well underway with strong engagement from across the organisation and with relevant partners.

The focus for the first year was on ensuring as much stability for staff as possible as well as protecting patient safety during a time of significant change. In essence it was a deliberate policy to maintain business continuity and avoid any unnecessary disruption to pre-merger working practices.

During the establishment of MFT and in its first year of operation important lessons have been learnt. These will be carefully considered to optimise future work.

"The creation of the new Trust was always going to be a fantastic opportunity to bring together the clinical strengths of our two predecessor organisations, and build on them to provide even better care to our patients. Both in the lead up to the merger and since, clinical engagement has been at the heart of the work to bring about benefits for patients; and I'm sure that's a major factor in achieving the successes we've already delivered."

Miss Toli Onon, Joint Medical Director

1 Introduction to Manchester University NHS Foundation Trust

MFT was created on the 1st October 2017 following the merger of CMFT and UHSM. It is one of the largest acute Trusts in England, employing over 20,000 staff. The Trust is responsible for running a group of nine hospitals across six distinct geographical locations and for hosting the Manchester Local Care Organisation:

Manchester Royal Infirmary

Saint Mary's Hospital

Royal Manchester Children's Hospital

Manchester Royal Eye Hospital

University Dental Hospital of Manchester

Wythenshawe Hospital

Trafford General Hospital

Withington Community Hospital

Altrincham Hospital

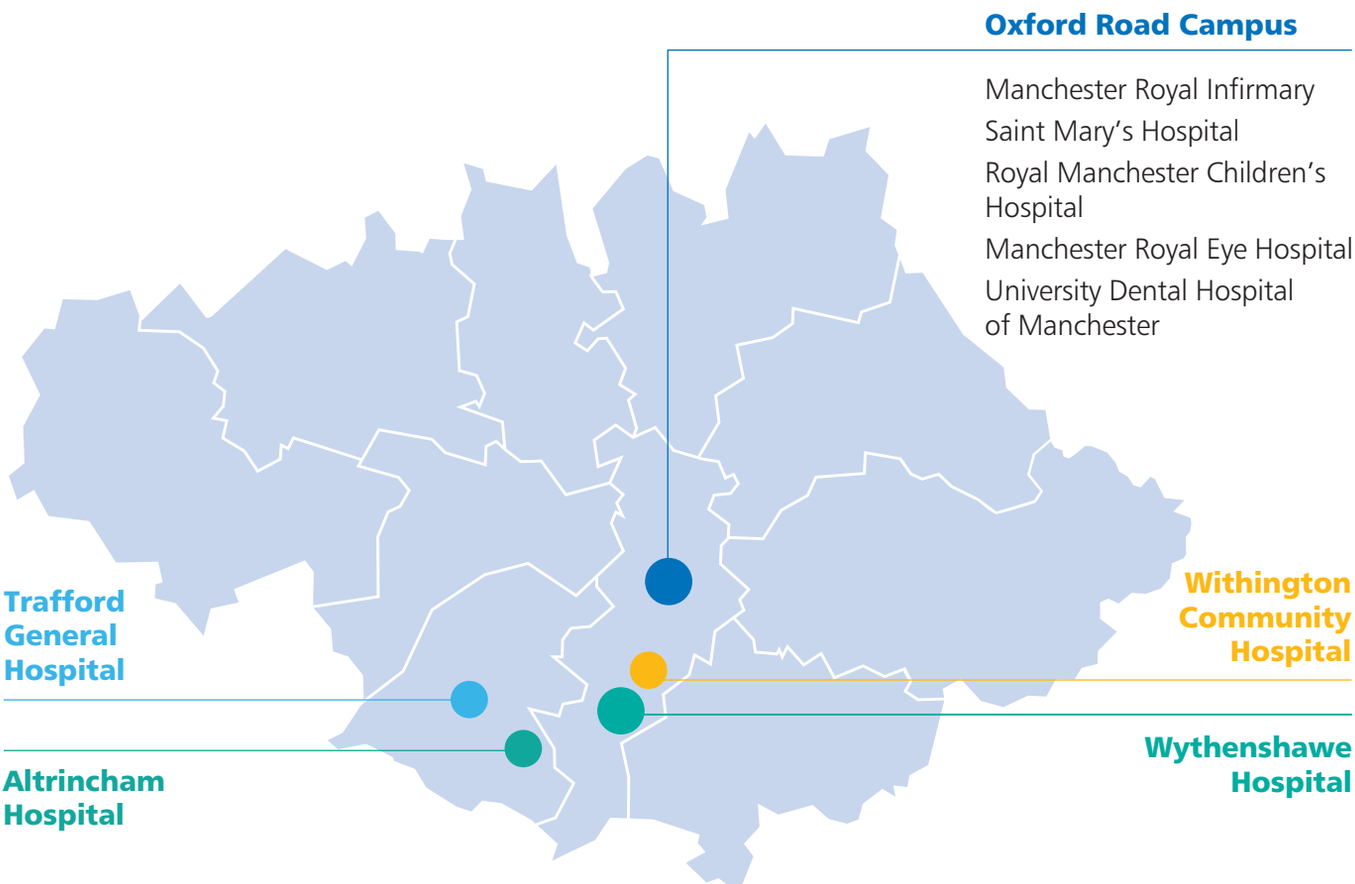
In **Manchester City Centre** on the Oxford Road Campus care is delivered from the Manchester Royal Infirmary and four specialist hospitals: Saint Mary's Hospital, Royal Manchester Children's Hospital; Manchester Royal Eye Hospital; the University Dental Hospital of Manchester.

In **South Manchester** care is provided from Wythenshawe Hospital and Withington Community Hospital.

In **Trafford** services are delivered from Trafford General Hospital and from Altrincham Hospital.

MFT hosts the Manchester Local Care Organisation which is responsible for delivering integrated **out-of-hospital care** across the City of Manchester.

Figure 1: Manchester University NHS Foundation Trust



Whilst they operate as distinct hospitals, Saint Mary's Hospital, the Royal Manchester Children's Hospital, the Manchester Royal Eye Hospital, and the University Dental Hospital of Manchester have also been established as Managed Clinical Services. The hospital services use their in depth expertise to deliver and manage specific clinical services across the Trust. In addition, a dedicated Managed Clinical Service for Clinical and Scientific Support Services has been established and operates across the Trust. This arrangement ensures consistency of clinical standards, guidelines and pathways across the breadth of the organisation.

The Trust is the largest and one of the most diverse acute and community hospital groups in the country, which despite its size is strongly rooted in the local communities it serves. It provides district general hospital services to a population of approximately 750,000 local people. It is also a major provider of tertiary and quaternary services across Greater Manchester and the wider North West region in areas including Vascular, Cardiac, Respiratory, Urology, Renal, Burns/Plastic Surgery, Cancer, Paediatrics, Women's Services, Ophthalmology, Breast Surgery and Genomic Medicine. The Trust is also the largest provider of specialised services in the country, providing 88 specialised services and 9 highly specialised services.

The Trust employs over **20,000** staff

The Trust attends to more than **1,725,000** out-patients per year

The Trust has an annual turnover of almost **£1.6 billion**

The Trust delivers over **13,000** babies and carries out in excess of **189,000** operations/ procedures per year

The Trust sees around **405,000** patients in its Accident & Emergency Departments per year

The Trust has approximately **2,500** inpatient beds

The Trust's research portfolio is the largest in the North West

The Trust has the largest number of undergraduates and clinical staff in training in the North West

MFT is a major academic research centre and education provider. This clustering of clinical services with life sciences and academia enables the Trust to deliver cutting edge care to patients.

Manchester Local Care Organisation

Leading local care, improving lives in Manchester, with you

Whilst the creation of MFT was progressing, the Manchester Local Care Organisation (MLCO) was also being established. The Manchester LCO 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.

In March 2017, Manchester Health and Care Commissioning (MHCC) invited bids for the award of a single contract for the provision of health and care services across the neighbourhoods and communities of Manchester, through a Local Care Organisation (LCO). The prospectus stipulated that a single provider would be awarded a single contract by commissioners. A range of possible organisational models were reviewed, to establish which model could deliver the objectives and ambition of the LCO. Although a single contract for the delivery of the LCO services was not possible, partners including MFT 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 was formally signed by all Partners in March 2018, coming into effect on 1st April 2018, and in doing so establishing MLCO. 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 MLCO will grow to include Mental Health and Primary Care.

MLCO continues to develop the Integrated Neighbourhood Team hubs, and the creation of a co-designed and all-encompassing approach to the MLCO. Key deliverables for 2018/19 and beyond will ensure that it is best placed to meet the needs of communities and neighbourhoods of Manchester in regards to integrated health and social care.

The benefits delivered through the Manchester LCO include improved health outcomes, improving people's experience of care, local people being independent and able to self-care, better integrated care, better use of resources, fewer permanent admissions into residential/nursing care and fewer people needing hospital-based care. Alongside progressing integration of the two predecessor Trusts, MFT is also working hard to support the establishment of MLCO.

This large and complex organisation has been in operation for just over twelve months. Although still in its infancy, MFT has already achieved a great deal. This report has been produced to explain some of these achievements and to celebrate the progress that has been made during its first year, including the improvements that have been delivered for patients and staff.

2 The Creation of Manchester University NHS Foundation Trust

Single Hospital Service Review

The principle of significantly changing the way that hospital and community services are provided in Manchester was first established late in 2015, in the Manchester Locality Plan.

This work was led by MHCC in collaboration with the Manchester Health and Wellbeing Board. It commenced in response to the challenges faced by health and social care providers, and set out an ambitious programme of work made up of three 'pillars' and called the Manchester Locality Plan:

- A Single Hospital Service for Manchester;
- A local care organisation that delivers integrated, accessible, out-of-hospital health and care services across Manchester; and
- A single commissioning system for health and social care services across the citywide footprint.

The Manchester Locality Plan was endorsed by all local stakeholders across the city and supported by Trafford Council.

"The creation of a Single Hospital Service is a key strand of the Manchester Locality Plan, along with the Single Commissioning Function and Local Care Organisation, and was a complex undertaking. The two Trusts achieved this within a year, working in partnership with organisations in the locality. This was a vital step towards ending health inequalities in our city to make sure everyone gets the same quality of care, no matter where they live."

Ian Williamson, Chief Responsible Officer, Manchester Health and Care Commissioning

To commence the Single Hospital Service element of this work the 'Single Hospital Service Review' was commissioned in 2016. This work, independently led by Sir Jonathan Michael, sought to consider the benefits that might be accrued by hospital services in Manchester working more closely together and to identify the optimal organisational form required to deliver these improvements. At the time of the Review there were three hospital service providers in Manchester: CMFT, UHSM, and North Manchester

General Hospital (NMGH) – part of Pennine Acute NHS Hospitals Trust (PAHT). All three were included in the review process.

The first stage of the review acknowledged the significant challenges that were facing health and social care providers in Manchester. The review found that hospital care was fragmented and that there was an unacceptable variation across the City in the provision and quality of care provided. The review also identified that although duplication, and even triplication, existed across the city in some clinical services, in other specialties patients were struggling to access healthcare appropriate to their needs. Workforce challenges facing hospital providers, exacerbated by the imperative to move to more even service provision across the seven days of the week, were also highlighted as a key issue. In line with NHS services nationally, increasing financial and operational difficulties were also acknowledged.

The development of a Single Hospital Service was identified as a key mechanism to address these issues. To identify the potential benefits of a Single Hospital Service the review focussed its attention on eight specialty areas and engaged clinicians to identify specific improvements that could be delivered by closer co-operation of clinical teams. This work was extrapolated and expanded to include contributions from colleagues working in research, training, finance and back office support services.

The process resulted in the identification of a series of high level benefits that cover a range of areas including quality of care, patient experience and financial/operational efficiency. The full list of potential benefits that were identified is shown in Table 1.

Table 1: High level benefits identified in the Sir Jonathan Michael Review[1]

Category	Benefits
Quality of Care	• Reduce variation in the effectiveness of care • Reduce variation in the safety of care • Develop appropriately specialised clinicians and reduce variation in the access to specialist care, equipment and technologies
Patient Experience	• Provide more co-ordinated care across the city (and reduce fragmentation) • Enhance the work of the Local Care Organisation to transfer care closer to home • Improve patient access and choice • Improve access to services and reduce duplication (and thus unnecessary trips to hospital)
Workforce	• Improve the recruitment and retention of a high quality and appropriately skilled workforce • Support the requirement to provide a seven day service • Reduce the reliance on bank and locum/agency staff • Support teams to meet the needs of current and future demand for services
Financial and Operational Efficiency	• Reduce costs in supplies and services (including drug costs) • Reduce staff costs through improvement in productivity and changes in skill mix • Limit future capital outlay and ongoing fixed costs assets • Improve operational performance
Research and Innovation	• Increase research activity and income • Create a single point of entry to all clinical trials thereby improving access • Ensure new research and best practice guidelines are implemented consistently to improve services
Education and Training	• Optimise curriculum delivery, clinical exposure and reduce the variability in the student and trainee experience • Widen student and trainee exposure to different clinical environments • Enhance the reputation of Manchester as a place to come to be trained and to work

[1]City of Manchester Single Hospital Service Review Stage One Report; April 2016.

Given the scale of the potential benefits, the second stage of the review considered the options for changing the governance and leadership arrangements for hospital services in Manchester to achieve the identified benefits as rapidly and effectively as possible. This process recommended that the most effective organisational approach to delivering benefits would be through the creation of a single new hospital provider, encompassing the existing hospitals (CMFT, UHSM and NMGH) located within the City of Manchester.

The findings of the review were fully supported by all local stakeholders including the three acute Trusts, local commissioners, civic leaders across the city, civic leaders at Trafford Council and Manchester's Health and Wellbeing Board.

"The creation of Manchester Foundation Trust was a crucial step in the development of a Single Hospital Service for the City of Manchester and our devolved health and care model for Greater Manchester. By UHSM and CMFT bringing together their assets, skills and specialisms, we now have an organisation which is greater than the sum of its parts, of national and global significance. Already we are seeing the impact in terms of improvements to clinical services, enhanced career opportunities and a richer research and development offer."

Jon Rouse, Chief Officer, Greater Manchester Health and Social Care Partnership

Creating MFT

To fulfil the recommendations of the Single Hospital Service Review it was decided to first merge the two Foundation Trusts in the expectation that the resulting single Foundation Trust would later acquire NMGH from Pennine Acute NHS Hospitals Trust.

Work started in the Autumn of 2016 to merge CMFT and UHSM. A programme team was established and appropriate governance mechanisms were arranged to ensure elements of process, including Competition and Markets Authority (CMA) submissions, the development of a Business Case, Due Diligence and legal mechanisms were completed.

This work was undertaken in twelve months and obtained clearance from both NHS Improvement (NHS I) and the CMA. A key component of this work was the development of a PTIP which set out the tasks required to successfully merge CMFT and UHSM, and start to deliver the Single Hospital Service patient benefits, by Day One, Day 100, Year One and Years 2-5.

MFT remains committed to the principal of a Single Hospital Service in the City of Manchester and has started work to enable NMGH to join the Trust. This work is expected to conclude between 1st October 2019 and 1st April 2020 and is being overseen by the Greater Manchester Health and Social Care Partnership. The transfer of NMGH into MFT will truly allow the full range of benefits, outlined in the Single Hospital Service Review, to be delivered to all residents across the City of Manchester, and beyond.

CMA Competition & Markets Authority

NHS Improvement

3 First Priorities Post-Merger

Although merging two large acute NHS Foundation Trusts to create MFT was a relatively unique undertaking, there have been a number of examples of hospitals integrating. These integrations have achieved varying success, and MFT has sought to learn lessons from elsewhere to avoid the problems that similar projects have experienced. Some of the key issues that NHS I advises merging Trusts to consider are:

- Setting a realistic timeframe for delivering change.
- Engaging with stakeholders.
- Balancing merger implementation and maintaining core activities.
- Embedding a common culture.
- Establishing effective management across multiple sites.

Taking these issues into account, MFT deliberately placed an emphasis on the need to maintain stability throughout the process of merger and immediately after. The PTIP, developed in advance of the merger, intentionally minimised the number of changes that would take place on Day One of the new organisation. This allowed a focus on the basics of constantly and consistently delivering patient safety, patient experience and high quality care. MFT delivered this against the challenging backdrop of unprecedented winter pressure nationally which resulted in considerable demand on urgent and emergency services.

"The important thing to achieve was to ensure patients and staff felt safe on day one of the merger. Having an integration plan meant we could do that. We deliberately did not plan for major changes in the first year but we did deliver some early benefits."

Julia Bridgewater, Group Chief Operating Officer

Throughout the merger and integration UHSM and CMFT, and subsequently MFT, ensured that existing staff, including those at NMGH, were central to the planning and delivery of the merger work. There was a conscious decision to limit reliance on external management consultants. This has ensured that knowledge has been retained and embedded within the organisation, and that work was undertaken with an in depth understanding and appreciation of the predecessor organisations, including their underlying cultures, strengths and weaknesses.

This measured and steady approach ensured that the new organisation maintained its focus on the delivery of safe and high quality services for patients, whilst also undertaking the significant work required to create a new organisation. The focus on stability and delivering core activities, while steadily implementing the integration required when two organisations come together, has persisted.

In preparation for Day One, significant work was undertaken by support services to provide the essentials to create a new MFT identity. All staff were sent a welcome letter and provided with a new lanyard and badge holder. Although CMFT and UHSM email addresses continued to work, each staff member was provided with a new MFT email address. This helped to promote the sense that staff from both predecessor organisations were now part of a single entity and working together.

Alongside these more visible changes, critical work was undertaken to enable the organisation to operate successfully as a single entity. The majority of this work was overseen by a Corporate Integration Steering Group, chaired by the Deputy Chief Executive, and a Clinical Risk and Governance Steering Group, chaired by the Chief Nurse.

The integration plans for the first 100 days largely focussed on the need to put in place firm and robust organisational structures, including a new Council of Governors, a substantive Group Board of Directors and Hospital/Managed Clinical Service leadership teams. In addition work commenced to consolidate systems, processes and policies and to implement a small number of clinical improvement schemes. Preparation was also undertaken to support the Trust's first Care Quality Commission (CQC) inspection.

The work to consolidate systems, processes and policies has been significant. Immediate work was undertaken to enable cross site working and to support effective management and reporting across the Trust. This included merging the Electronic Staff Records, implementing a single ledger, integration of the Annual Planning Process and development of a single risk management system.

Alongside delivering this change, corporate services began to consolidate into single teams working across MFT, bringing together the teams from the two predecessor organisations. This has involved over 1000 members of staff. Due to the scope and scale of the services, and the pressure to simultaneously support wider changes within the organisation, this work has been carefully paced. The restructures that have been completed to date have delivered financial savings of five percent. It is planned that similar savings will be delivered across the services that remain to be consolidated.

Collectively these early changes began to give the new organisation a sense of identity that staff could relate to and feel part of. To promote this further one of the first priorities was the development of MFT's vision and values as part of a major organisational development programme with staff. Developing these early with staff, patients and partners was essential to supporting the development of the organisation's culture and setting the direction of travel on which the foundations of success would be built. These are set out in Figure 2.

Figure 2: MFT's Vision and Values

Our Vision

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 leading healthcare provider**

Our Values

Together Care Matters
Everyone Matters
Working Together
Dignity and Care
Open and Honest

https://mft.nhs.uk/the-trust/our-vision-and-values/

Staff quickly engaged in this work and related strongly to the vision and values. This has been clearly demonstrated through the regular staff surveys undertaken by the Trust. For example, in Quarter 2 of 2018/19, 89% of MFT staff reported that they were aware of the Trust values.

This significant change work has been delivered carefully without distracting MFT from its core purpose; to excel in quality, safety and patient experience. MFT recognises the valuable contribution that all staff have made following the merger. Whilst the organisation has been committed to ensuring all employees are kept informed and engaged regarding the integration process, much of the success of MFT's first year is because of the hard work, commitment and dedication of MFT staff. Teams have seized the opportunity that the merger provided and have been working to ensure that the benefits of a Single Hospital Service are delivered. Some examples of the excellent work that has been undertaken following the creation of MFT are outlined in Chapter 8.

The creation of MFT was a ground breaking process that has yet to be repeated elsewhere in the country. The remainder of this document sets out some of the key achievements that have been delivered by MFT during its first year.

4 Establishment of Leadership and Organisational Structure

In order to deliver services safely and effectively, MFT prioritised the establishment of a robust organisational structure and new leadership teams. Given the scale of the organisation this was critical to ensuring a strong and continued focus on delivering safe care for patients. In addition to being a new organisation, MFT was formally and legally constituted as a 'Group'. This required a new design of Executive oversight and leadership.

Trust Membership Base

As a new NHS Foundation Trust, MFT required a new membership base. In order to establish the membership in a timely manner it was formed from the existing CMFT and UHSM membership base. Members were contacted and advised that they would automatically become members of the new Trust unless they actively opted-out. A small number of staff chose to opt-out. The remaining 42,000 members formed the initial membership of the new Trust. Work has since been undertaken to recruit more participants and to refine the involvement, ensuring that it is representative of the population served by MFT.

Council of Governors

As a new NHS Foundation Trust, MFT also had to meet a statutory requirement to have a new Council of Governors. Immediately after authorisation of the new Trust on 1st October 2017, the MFT Public and Staff Governor election process was instigated. The elections concluded in November 2017 and the results were announced at a Special Members Meeting in December 2017. A new Lead Governor was elected and this appointment was confirmed at the inaugural meeting of the MFT Council of Governors on 20th December 2017. Since then significant work has been undertaken to plan and deliver training and development for the new Council of Governors.

Group Board of Directors

Prior to the merger of UHSM and CMFT an Interim Group Board of Directors was established in line with the requirements set out in the NHS I Transaction Guidance. This Interim Board remained in operation after the merger to provide stability and continuity. The substantive Group Board of Directors was confirmed and became operational on 20th December 2017 following a robust selection process which included external assessment.

Design of the Organisational Structure

Alongside the establishment of the high level organisational leadership, implementation of the new organisational structure commenced. To ensure that every member of staff was clear about their own accountability the default position was that pre-merger accountability arrangements would stand and no overnight changes were made for Day One of the new organisation except in exceptional circumstances.

The leadership team carefully designed the new structure, taking into consideration learning from other hospital groups, both nationally and internationally. Some of the organisations reviewed favoured a vertical structure, where hospitals and accountability were the focus, ensuring operational grip. Contrastingly, other organisations favoured a horizontal structure where clinical synergies and pathways were the main focus. Notably, each organisation stated they would have focussed on the opposite approach if they went through the process again.

Considering this learning, MFT designed a structure that starts with the delivery of clear, vertical operational grip to ensure patient safety and maintain clear accountability. This is achieved through the management of the Hospital Sites and Managed Clinical Services as operational units, each with their own Chief Executive and leadership team. These operational units are overseen by the Group Chief Operating Officer with Chief Executives reporting to the Group Chief Executive.

The achievement of clinical synergies is being delivered through the establishment of Managed Clinical Services and Clinical Standards Group functions. The Clinical Standards Groups bring

together a multi-disciplinary group of subject experts and supporting professionals to enable clinical staff to apply best practice and standardisation across the Trust. In addition, Education and Research runs through the whole structure.

Through this comprehensive approach, the new organisational structure facilitates clinical service delivery against evidence-based standards of practice, combining site specific management with the management and ongoing development and change of clinical services across sites. This dual approach is beginning to give the organisation flexibility and agility despite its size. As the horizontal functions and networks mature it is envisaged that they will provide challenge and will enable the organisation to continually adapt and change.

Detailed Organisational Structure

Breaking down the structure in greater detail, MFT has eight operational units; five of these are described as Managed Clinical Services, two are hospitals and one is the hosted Manchester Local Care Organisation. 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 are accountable for the delivery and management of a defined 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. This arrangement is described in Table 2.

Table 2: Managed Clinical Services

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 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 the senior leadership team based out of 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. This arrangement is described in Table 3.

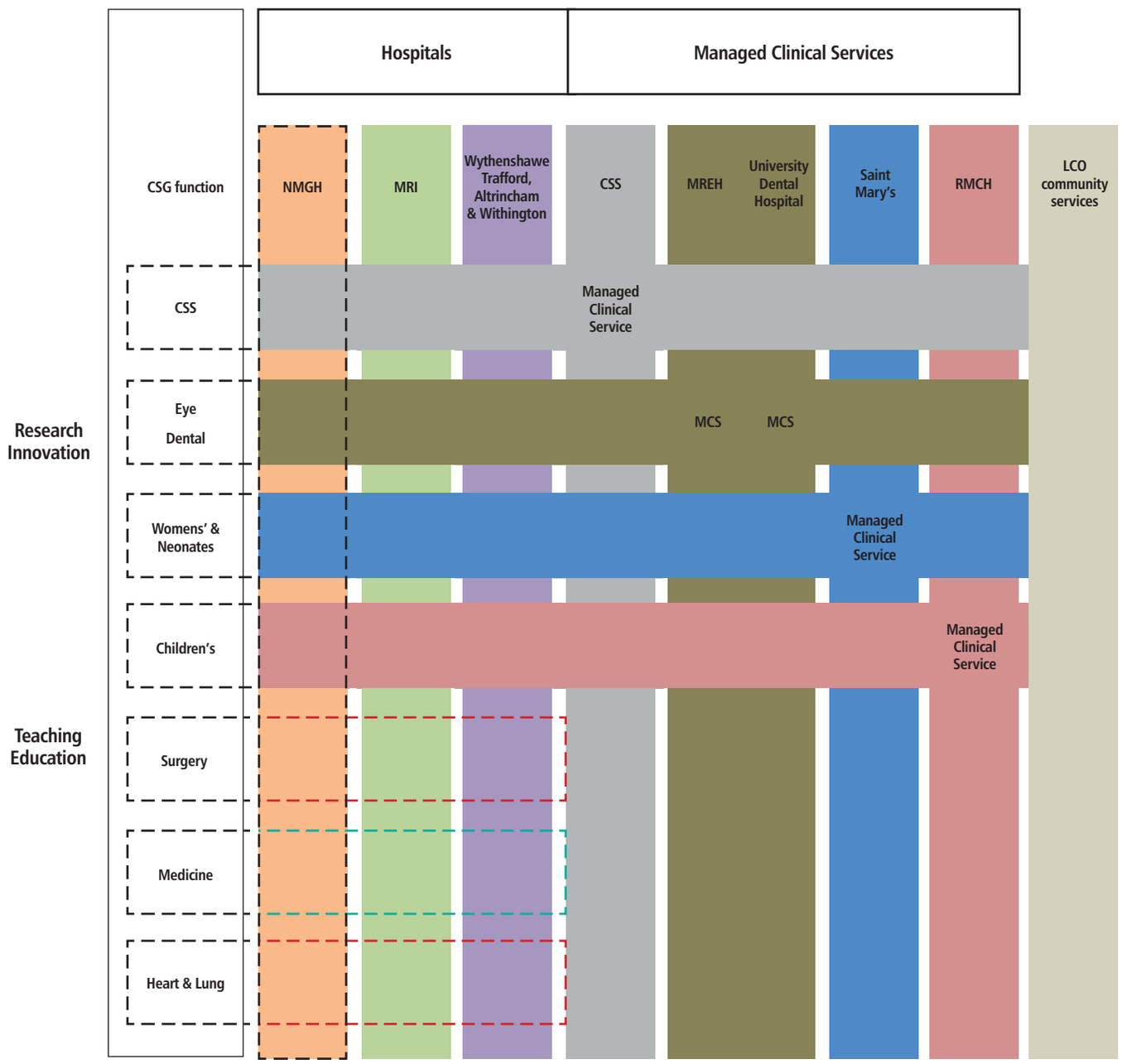
Table 3: Hospital Sites

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**

The organisation structure also takes into account the Manchester Local Care Organisation (LCO) and provision of community services. MFT is a key partner in the LCO that is providing integrated out-of-hospital care in the city of Manchester. Services provided incorporate community nursing, community therapy services, intermediate care and enablement, and some community-facing general hospital services.

The overall organisational structure of MFT is illustrated in Figure 3, including NMGH which is planned to join the Trust in the near future.

Figure 3: Diagram of MFT Organisational Structure



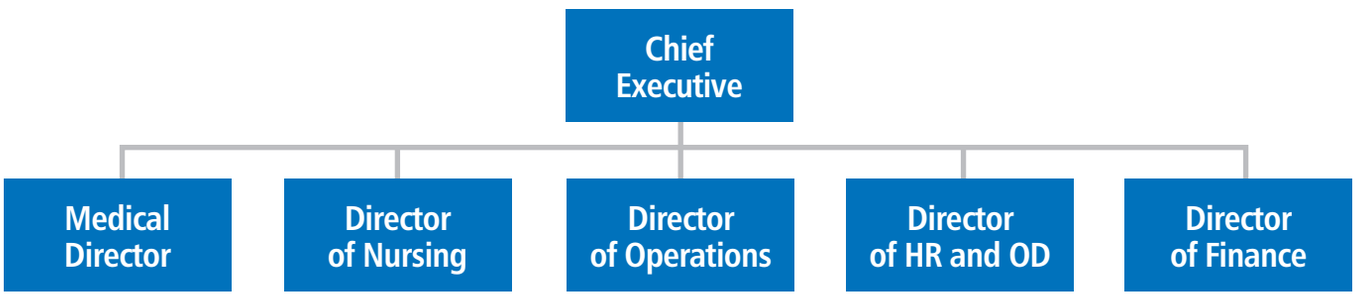
NMGH is planned to join the Trust in the near future.

Organisational Leadership

Based on the new organisational structure, implementation of the senior leadership arrangements started immediately after the Trust was established. This was undertaken in a planned, staged approach to limit disruption to services, but at sufficient pace to ensure that the structure was in place by April 2018.

The Hospital and Managed Clinical Service leadership teams are central to maintaining patient safety and clear accountability. It was therefore decided that they would be recruited as early as possible through rigorous internal and external recruitment processes. Each Hospital and Managed Clinical Service has its own Medical Director, Director of Nursing, Director of Operations, Director of Finance and Director of HR and Organisational Development. These senior leadership teams are each led by a Chief Executive.

Figure 4: MFT Hospital and Managed Clinical Service Organisational Structure



The appointment of leaders in the Group Corporate functions followed the establishment of the substantive Group Board of Directors. Each Group Executive Director developed the structures for their own directorates, and formal consultation on these changes started in January 2018. The review and alignment of Group Corporate functions has been undertaken in a phased approach, based on an assessment of priority to minimise disruption, reduce risk and ensure business continuity.

Throughout the recruitment of the organisational leadership there was a strong focus on consistency in both the design of structures, roles and pay, and also in the approach to the process of managing change and recruitment. This ensured transparency and equity of access for all individuals. The process was overseen by the Group Executive Director Team.

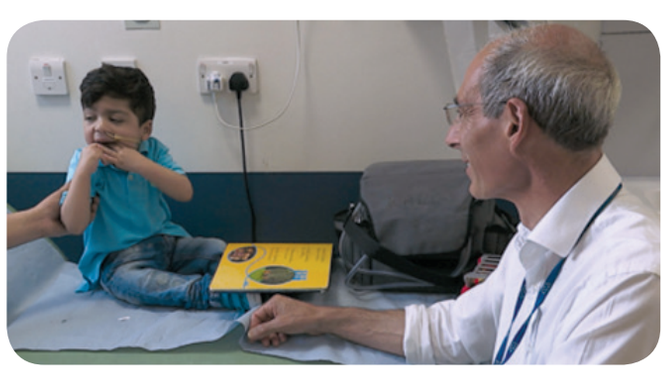
"We made a conscious decision to maintain a clear focus on continuing to deliver stable services during Year 1, while also starting the work required to integrate our hospitals and community services. I'm so proud of what we have achieved so far. Now we will build on this, sharing our many strengths to deliver consistent, high quality care for all."

Sir Michael Deegan CBE, Group Chief Executive

In addition to the establishment of the Hospital and Managed Clinical Service leadership teams, the leadership of the three standalone Clinical Standards Groups was appointed to during March 2018.

The Clinical Standards Group leads are medically-qualified consultants who provide clinical leadership and expertise to oversee a set of clinical standards. For example, the Surgery Clinical Standards Group Lead sets standards relating to Adult Surgery including General Surgery, Oral and Maxillofacial Surgery, Otolaryngology, Burns and Plastics, Trauma and Orthopaedics, Urology and Vascular Surgery; but excluding Cardiothoracic and Heart/Lung Transplant Surgery (which would fall under the Heart and Lung CSG), and excluding Paediatric Surgical specialties (whose standards will be monitored and developed by the RMCH Managed Clinical Service).

In undertaking their roles the Clinical Standards Group Leads are expected to foster high levels of clinical involvement and joint working, underpinned by a culture of integrity to reach the best outcomes for patients.



Freedom to Speak Up Guardian and Champions

The Trust also appointed a Freedom to Speak Up Guardian and Freedom to Speak Up Champions across all hospital sites and Managed Clinical Services to support staff, students and patients to raise concerns. The Champions act as a local resource to support staff who raise concerns. They work continuously to improve safety and quality for patients, carers and families, as well as enhancing the work experience for staff.

MFT Freedom to Speak Up Guardian David Cain

Freedom to speak up

"I know how to speak up safely at MFT"

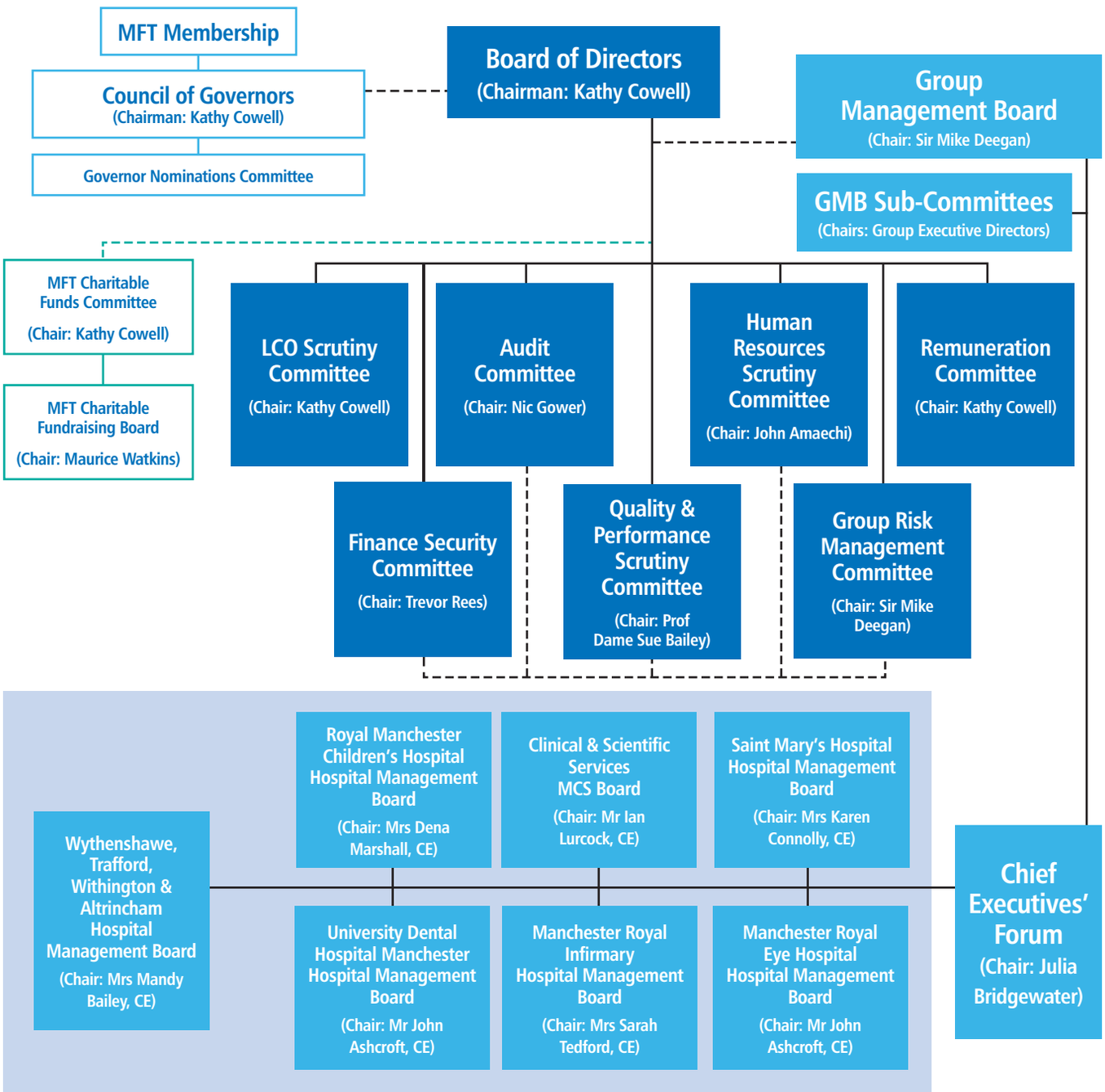
5 Establishing Robust Governance and Assurance Arrangements

As a new NHS Foundation Trust, MFT needed to establish its Board Sub-Committee structure and a new design of Executive Director oversight and leadership appropriate to its constitution as a Group. The governance structure and assurance arrangements to support the Board of Directors have been established over the course of the Trust's first year.

Board Sub-Committees

Board Sub-Committees chaired by the Non-Executive Directors and the Group Chief Executive were established in October 2017, providing oversight of the full breadth of MFT's clinical and non-clinical activities. The Board Sub-Committee structure is illustrated in Figure 5.

Figure 5: Board Sub-Committee Structure



Accountability Oversight Framework

The Accountability Oversight Framework (AOF) underpins how the Hospitals and Managed Clinical Services function and interact with the Group Executive Directors. The AOF contributes to the overarching Board Governance Framework. The key purposes of the AOF are to:

- Provide a fair and transparent means of understanding performance across the Group;
- Identify areas of good and poor performance; and
- Enable Group Executives to direct Group resources to support improvement in areas of greatest need.

The AOF records monthly performance across a wide range of metrics. This provides visibility to the Group Executives on performance trends, providing early warning signs where performance is off track. Focussed discussions are held with Hospitals and Managed Clinical Services to agree remedial actions.

Single Operating Model

Each Hospital and Managed Clinical Service leadership team is responsible for establishing effective governance and accountability to ensure successful operational delivery and achievement of the metrics set out in the AOF. To support this the Trust introduced a Single Operating Model.

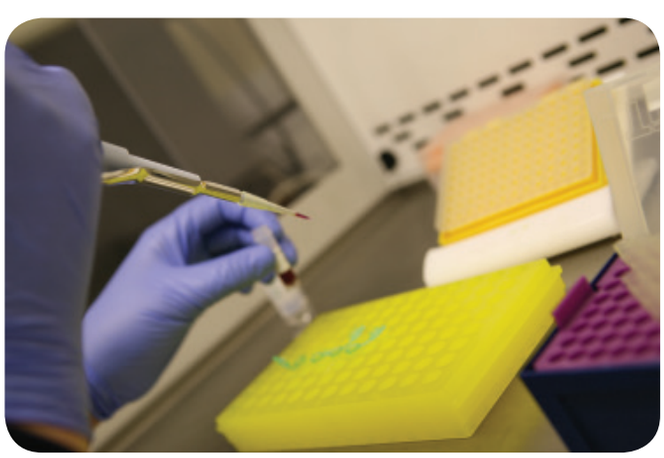
The Hospital and Managed Clinical Service Management Boards have established governance structures that mirror the corporate governance structure. The Management Boards are responsible for the oversight and delivery of performance. They are underpinned by a number of sub-groups focussed on the day-to-day management of performance against key business areas. To gain assurance a performance review process is undertaken with individual service lines to ensure consistency from 'Ward to Board' with input from the Clinical Standards Groups, where appropriate.

Clinical Standards Groups

To ensure that the Clinical Standards Groups are embedded across the Trust, the Clinical Standards Group Leads and Managed Clinical Service Medical Directors are members of the Group Management Board, Clinical Advisory Committee and Quality & Safety Committee. They also share corporate responsibility for the implementation of agreed Board decisions.

The Clinical Advisory Committee, chaired by the Group Joint Medical Directors, provides oversight and assurance of the Clinical Standards Groups' work programmes. This ensures that all hospital and Managed Clinical Service Chief Executives are sighted on their priorities and activities, and that any changes instigated are planned and delivered without unintended consequences on day-to-day operations.

The output of the Clinical Standards Groups is scrutinised by the Quality and Performance Scrutiny Committee and any risks identified are reported to the Group Risk Management Committee; both are sub-committees of the Group Board of Directors.



Hospital and Managed Clinical Service Reviews

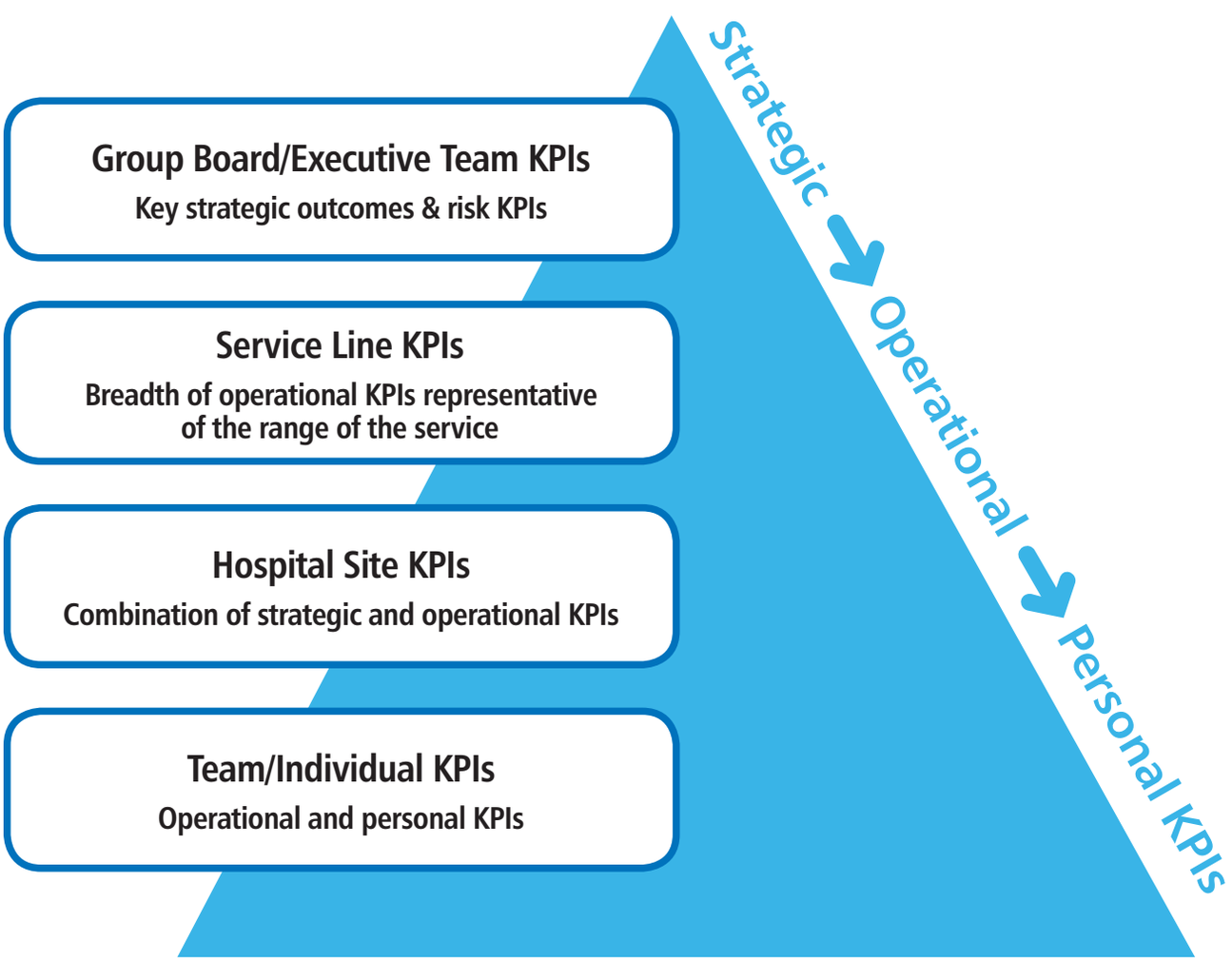
Each Hospital and Managed Clinical Service has regular reviews every six months, chaired by the Group Chief Executive. These reviews focus on the operational unit's strategic vision, and the key issues and challenges being faced in achieving this. They provide an opportunity for a broad and in-depth discussion about issues such as:

- Leadership and governance, including objectives, priorities and risks
- Strategy and business planning
- Quality, safety and patient experience
- Workforce
- Finance
- Communications and Engagement

Group Executive Directors' Appraisals and Mid-Year Reviews

The formal governance mechanisms and clear lines of accountability and assurance are underpinned by regular staff appraisals. Annual appraisals and mid-year reviews are used to set and review clear, measurable objectives for Group Executive Directors which are then cascaded through the organisation, ensuring that all staff have clarity of purpose and accountability. The connection between Group Executive Director and Executive Team objectives is illustrated in Figure 6.

Figure 6: Cascade of Group Executive Director Objectives



External Governance

The establishment of MFT is supported by funding from the Greater Manchester Transformation Fund. The funding was secured through a composite bid that encompassed the full spectrum of health and care transformation activities in the Manchester Locality Plan.

The overarching governance arrangement for this funding is through an Investment Agreement between the Greater Manchester Health and Social Care Partnership and the Manchester system. Within Manchester a more detailed Investment Agreement has been established to manage the partnership working arrangements and the flow of resources.

The Investment Agreement with the Greater Manchester Health and Social Care Partnership required the agreement of a set of high-level indicators to allow the progress and success of integration activities to be assessed. These indicators were agreed in early 2018 and include financial and non-financial metrics. Ongoing monitoring of these metrics is undertaken and they are reported to the Manchester Health and Care Commissioning performance team on a quarterly basis and then through to the Greater Manchester Health and Social Care Partnership. In addition to the reporting of metrics, MFT has met Manchester Health and Care Commissioning and the Greater Manchester Health and Social Care Partnership to provide a broader overview of the integration and transformation work being undertaken.

Each month the Greater Manchester Health and Social Care Partnership arranges a Performance and Delivery meeting to hold commissioners to account for delivery against the Greater Manchester transformation schemes and key performance metrics. MFT's Group Chief Operating Officer is one of the two provider representatives on this Board.

NHS I is responsible for overseeing foundation trusts and NHS trusts, as well as independent providers that provide NHS-funded care. They continue to hold MFT to account for delivery of the merger integration through their normal assurance processes.

NHS Improvement

6 Developing MFT's Service Strategy

On the establishment of MFT, there was no overarching service strategy that provided a comprehensive overview of the Trust's services and how they would be developed in the future. The Trust's Strategy Team has therefore been working closely with clinical leaders and stakeholders to develop a full service strategy.

The Trust's strategy is being developed at two levels:

- **Group Service Strategy: Outlining MFT's long term vision for existing clinical areas, setting out potential new clinical areas to develop, and, outlining linkages across people, research, education and service strategies.**
- **Clinical Service Strategies: Service level plans covering configuration of services across the Hospital Sites, vision for how the service will operate and develop over the next 5-10 years, potential new service provision to develop and recommendations to address specific long standing issues.**

The work is supported by clinical leads and overseen by the Group Service Strategy Committee.

The Group Service Strategy has been developed internally through wide engagement across the Trust and externally with key stakeholders. Executive and Corporate Directors, Hospital leadership teams and Clinical Standards Group Leads have informed the starting position. It has been further developed through discussion with external stakeholders including commissioners, Health Innovation Manchester and those involved in the Greater Manchester transformation work. Wider engagement with the Trust's workforce, the Council of Governors and other key groups within the Trust has then further shaped its development.

The content of the Clinical Service Strategies is being developed by Clinical Working Groups, and, due to the scale of the work it has been split into three waves. Each Clinical Working Group includes a Clinical Lead, representatives from all of the constituent specialties, sub-specialties and co-dependent services and representatives from external organisations, principally commissioners and Local Care Organisations. Staff from across the organisation, including over 150 doctors, nurses and allied healthcare professionals, have been engaged in the process.

"The two Trusts that joined to form Manchester University NHS Foundation Trust had many excellent services. The merger has given us the opportunity to bring clinical teams together to develop service strategies that best serve the city of Manchester and beyond. In this way, the merger will continue to deliver benefits for many years to come. "

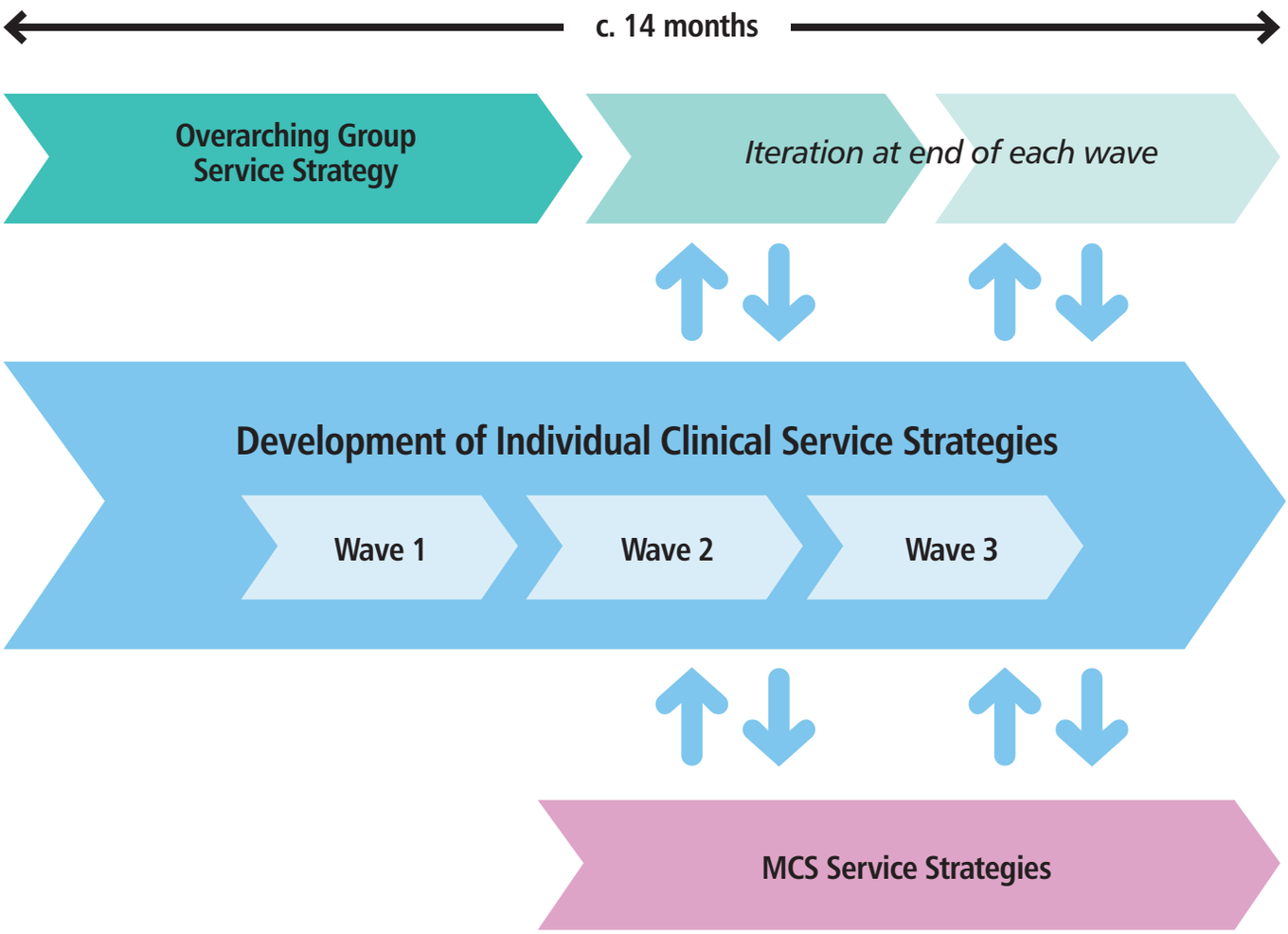
Darren Banks, Group Director of Strategy

The Strategy Team has ensured that the strategy development aligns with wider work in the health and social care economy. The aims of the Manchester Locality Plan and those of Trafford have been reflected in a set of principles that have been used to frame the work. Decisions that have already been taken, for example by NHS England or within Greater Manchester, have been considered 'fixed points' and Manchester and Trafford commissioners have been engaged on an on-going basis.

The Service Strategy work is also accounting for NMGH as a future member of the Trust. Each Clinical Lead has considered how their vision for the service would change if NMGH joined the Trust. This has been informed by meetings with groups of NMGH clinicians.

The development of the Service Strategy has proven to be a large and complex task and will take approximately fourteen months to complete (illustrated in Figure 7). Development will continue until April/May 2019 with drafts being iterated during this time.

Figure 7: MFT Service Strategy Development Process



Any significant service changes that are proposed will be taken to commissioners and the public for consultation. Once completed, the maintenance and development of the clinical service strategies will be the responsibility of the Clinical Standards Groups and Managed Clinical Services. Alignment across clinical service strategies as they develop will be maintained through the Group Service Strategy Committee which includes all three Clinical Standards Group leads and the Medical Directors and Chief Executives of the Hospitals and Managed Clinical Services.

7 Planning for Major Clinical Transformation

The primary driver for the establishment of MFT was the delivery of significant benefits for patients. These benefits were set out in the Sir Jonathan Michael Review and in documentation required prior to the merger, such as the Patient Benefits Case submitted to the CMA.

To support effective and timely delivery of these benefits, MFT's Transformation Team established an Operations and Transformation Steering Group. This Group leads the planning and delivery of the programme of clinical integration, including the twenty seven work streams representing the clinical services that have developed integration plans to deliver the patient benefits described in the Patient Benefits Case and the Full Business Case.

Prior to the merger, the Operations and Transformation Steering Group developed a high level project timeline, work stream integration plans and quality impact assessments. It also identified benefits and developed non-financial KPIs. The project plans were uploaded on to a programme monitoring system called Wave to enable regular highlight reporting and robust assurance of project delivery.

The integration projects and work streams differ in scale, scope and complexity and this was taken into account in the planning and delivery. Following the establishment of the new MFT operating model it was necessary to adapt the approach to integration to ensure it worked effectively.

The senior team responsible for the delivery of the integration portfolio mapped the work streams onto a matrix which assessed whether each work stream was strategic or tactical, and, complex or simple. This approach determined whether changes were led and delivered by the clinical directorates themselves, the Hospitals or Managed Clinical Services (with or without Group support) or whether the changes must be led by the Group (complex, strategic projects).

Where an integration work stream was classified as 'complex, strategic' a Programme Board was established. Meeting monthly, chaired by a Group Executive Director and attended by senior clinicians and managers from each site, the Programme Boards are the vehicles driving the integration work across these areas. Programme Boards are now in place for general surgery, urology, cardiac and trauma and orthopaedics.

The Transformation Team has supported the delivery of patient benefits across all of the integration areas. Opportunities for improvement have come from clinical teams from each site working together to understand each other's services. This has been enhanced through use of comparable information and national benchmarks such as 'Getting It Right First Time' and 'the Model Hospital'.

Although improvements for patients are already being delivered, a number of the major clinical benefits that were outlined during the merger process will be facilitated by structural changes that are being decided through the development of Clinical Service Strategies. An Integration Steering Group, chaired by the Director – Single Hospital Service, has maintained oversight of the two areas of work to ensure that any adverse impact of each area of work upon the other is mitigated as far as possible and that the delivery of patient benefits can progress as quickly as possible. Alongside this, both work streams acknowledge the operational pressures across the Trust and aim to ensure that any service plans seek to improve operational efficiency where possible.

Organisational Development tools and techniques have been used to support the teams going through the integration work. Prior to the merger both predecessor organisations engaged in, and collaborated on, a significant programme of work to build on the best of what both Trusts did, and to align and further develop the culture and capabilities of people to lead and manage change.

In November 2017 the Interim Board of Directors approved a Leadership and Culture Strategy for the newly formed Trust. The strategy describes the kind of leadership and culture MFT needs to further build and sustain high quality care and high performance. It is a key enabler for implementing the integration plans and outlines the guidance and plans for developing the cultural conditions needed for a compassionate, inclusive and continuously improving culture.

As part of this strategy there are three core organisation development interventions in place to support teams to successfully integrate:

High Performing Team Development

Team Leaders are supported by a coach and guided through the foundations of effective team working using an online tool called the 'Affina Team Journey' in order to increase effectiveness, improve the team's ability to manage change and continuously improve. The programme aims to embed positive structures, processes and interpersonal behaviours into team working. The programme includes nine stages of evidence-based assessment tools, with automated on-line reporting, and briefings for development activities, taking between 4-6 months for a team leader to implement. The Team Journey approach is being used for teams leading strategic and system challenges as part of integration and transformation, and bespoke Organisational Development support continues to be offered for teams without a defined team leader or with complex issues.

Leadership Development

To successfully implement the Group model and integration, MFT leadership must have the right balance of technical knowledge, skills and backgrounds and be appropriately qualified to discharge their roles effectively. This includes setting strategy, monitoring and managing performance and nurturing continuous quality improvement.

Leaders must also demonstrate a commitment to our values, building positive relationships and trust at all levels, and have opportunities to access a range of leadership and management development opportunities.

Leadership programmes to support those managing change have been refreshed and further developed, including the continued delivery of a Newly Appointed Consultant programme and a new Clinical Leadership Programme. The latter is aimed at experienced Consultants leading key Clinical areas. The programmes support participants to deliver a change or transformation project or team development work during the ten month programme.

In addition, bespoke development has been delivered for the Group Board, Governors and Hospital and Managed Clinical Service leadership teams.

MFT Ward Accreditation Assessment winners

Improvement Skills

Staff at all levels of the organisation have access to a range of development programmes aimed at accelerating change and developing a culture of continuous improvement. With programmes available at Foundation, Champion, Practitioner and Expert levels, the Organisational Development and Transformation programmes aim to build confidence and capability to deliver change across the organisation and target areas that are leading integration and key enabling change programmes such as the development of an Electronic Patient Record Services. Teams have had the opportunity to learn from each other where one site is doing something well or in an innovative way or to collaborate and pool resources to provide more responsive care.

8 Delivering Benefits in Year One Post-Merger

The Single Hospital Service review identified a range of high level benefits that would be delivered from the creation of a Single Hospital Service for the City of Manchester (see Table 1). During the Trust's first year, clinical and corporate teams have started to implement changes to processes and services with the aim of delivering the best care possible for patients. The benefits realised so far have been categorised under the key themes identified in the review. Many of the benefits envisaged by Sir Jonathan Michael will be delivered over an extended timeframe and long term plans are in place to ensure that these programmes of work will be realised.

Quality of Care

Quality is defined as having three dimensions: safety, clinical effectiveness and patient experience. These must be present to provide a high quality service.

The Trust's Quality and Safety Strategy 2018-2021 was agreed by the Group Board of Directors in July 2018 and sets out a commitment to provide quality of care that matters to patients and their families as well as caring for the wellbeing of staff. As teams start to work together the Trust has been able to capitalise on the sharing of experience and knowledge allowing new and different ways of working. Early examples of improvements to reduce variation across hospitals, enhance clinical effectiveness and strengthen services are starting to become a reality. This includes opportunities for sharing specialist equipment and technologies and ensuring patients have access to the most appropriate clinicians for their care. The Transformation Strategy was approved by the Interim Board pre-merger to enable the delivery of patient benefits to start immediately.

Lithotripsy Service

Patients needing kidney stone removal wait no longer than 4 weeks. Before the merger, some patients waited 6 weeks or more.

Patients in need of Kidney stone removal now have quicker access to non-invasive lithotripsy treatment following the introduction of a combined lithotripsy service between the MRI and Wythenshawe Hospital. Lithotripsy uses ultrasound to shatter kidney stones, avoiding the need for potentially more invasive treatments. Following the merger, MRI patients in need of kidney stone removal now have the choice of elective treatment at Wythenshawe Hospital if an earlier appointment becomes available or the location is more convenient. For many patients this means faster and more convenient care and reduced waiting times. It also ensures that the Lithotripsy service at Wythenshawe is better utilised.

Imaging

Since the merger, Imaging and Nuclear Medicine colleagues across sites are working together to combine protocols and procedures to ensure consistent standards are being met across all areas of work. An accountability and oversight framework has been introduced to manage turnaround times for scan reports across hospitals, reducing the time that patients are waiting to receive their results. Plans are now being developed to offer patients' access to scans at a different site if one hospital has reached capacity or if this is closer to their home or workplace. A shared on-call rota to deliver increased staff coverage throughout the week is also being put into place. The service is also working towards Imaging Services Accreditation Standard (ISAS).

"When a hospital gains this accreditation, patients can be assured of a first class imaging service and staff benefit from working in a service that meets the gold standard."

Catherine Walsh, Divisional Director of Imaging

Patient Experience

Providing high quality, safe and compassionate care to patients and their families is the heart of what we do every day. Patient experience means putting the patient at the heart of everything, delivering timely access to services, and offering treatment and care that is compassionate, dignified and respectful wherever it is provided.

Improving the experience for patients, carers and their families is one of the Trust's strategic aims. This will be delivered by enhancing access to services, providing patient choice and ensuring a consistency in the quality and delivery of care across hospitals. One of the first service improvements aimed at reducing variation and improving access and choice for patients involved the Trust's Urgent Gynaecology Surgery service.

Urgent Gynaecology Surgery

Women who need surgery after a miscarriage are getting faster treatment in less than 2.5 days on average instead of 4 before the merger.

An additional dedicated urgent gynaecological list has been introduced at Wythenshawe Hospital as a result of the merger to create MFT. Before the merger patients who needed surgery for an urgent gynaecological condition were added to a general theatre list with the possibility that their operation could be delayed due to emergency cases. Women initially treated at Wythenshawe can now choose to join the surgical list at St Mary's and women treated at St Mary's have the choice of going to Wythenshawe to have their pre-op appointment and surgery. This will ensure that surgery is not delayed; there is a reduced risk of any condition worsening and quicker and more convenient treatment for patients. This has been made possible by dedicated teams at both sites working together to reorganise surgical waiting lists, allowing access to quicker and more convenient care for patients.

"By introducing a dedicated list at Wythenshawe, we have been able to offer greater choice for patients and reduce the chance of surgery being posponded. I'm proud that our teams have worked together across sites to introduce this extra list as they know it will be better for our patients."

Mr Theo Manias, Consultant Obstetrician and Gynaecologist at Wythenshawe Hospital

Fractured Neck of Femur Service

An improved rehabilitation pathway has been developed by Therapy and Nursing teams for Trafford residents following the recent merger. Patients receiving Fractured Neck of Femur surgery at Wythenshawe hospital sites, who meet set criteria, are now able to be transferred to Trafford General Hospital to receive rehabilitation as well as the medical care they need. Patients can recover in a specialist environment closer to home and this enables better outcomes, shorter lengths of stay in hospital and improved patient experience. Staff are able to prioritise patients and provide personalised care. The teams are continuing to work together to review the pathway with the aim of increasing the number of patients accessing the rehabilitation service at Trafford General Hospital. This pathway change was an early product of the merger.

"It is a real credit to our staff that they engaged so positively with the merger process at a time when for many their own future was uncertain. I'm extremely proud that our staff continued to put patients first during this time of change and are now working hard to realise the benefits of the merger for patients. Our staff are our greatest asset and we want to make MFT an even better place to work, with opportunities for people to develop to their full potential and become the best at what they do."

Margot Johnson, Group Director of Workforce and Organisational Development

Workforce

Securing the workforce required to deliver high quality services remains an ongoing challenge across the NHS and there continues to be a focus on reducing reliance of locum and agency staff. The retention of the Trust's hard working and skilled employees, and the attraction of new employees, is vital to ensure the delivery of excellent patient-focussed quality care across the new organisation. The merger presents significant opportunities for the recruitment and retention of a range of staff including medical, nursing and specialist clinical staff, and is a key focus for the new organisation. The creation of MFT enables revised patient pathways to be developed leading to:

- The creation of new roles.
- The integration of teams.
- The ability to provide enhanced cover out of hours.
- The creation of single integrated staff rotas.
- The opportunity for staff to sub-specialise.

"I am pleased to say the Trade Unions were encouraged at the outset to be involved with the merger plans. We had a group which met regularly and the Single Hospital Service Team worked with the Staff Side Committee to ensure we were involved and kept informed. During the first year of the organisation, I am very proud of the hard work our staff have accomplished during a period of change, which has been really exemplary."

Peggy Byrom, Legacy CMFT Staffside Chair

"We've worked hard on a partnership Management of Change document as a process to assist people to move through the change. This has irrefutably been a difficult, complex and sometimes anxiety invoking experience for staff. This being recognised, we have put in place supportive mechanisms within this process. Credit should go to everyone involved for pulling together to make this work and improve services for patients."

Kate Sobczak, Legacy UHSM Staffside Chair

Joint Recruitment Programme

Following the merger, MFT is currently leading a programme of work across all Manchester hospitals to develop a single attraction strategy for consultant medical staff that will support service development and integration plans. This is illustrated by the recent recruitment of eleven new Consultant Obstetricians and Gynaecologists who recently joined the Saint Mary's Hospital clinical team. These new posts will be based across Saint Mary's Hospital, Wythenshawe Hospital and North Manchester General Hospital. The posts were advertised jointly with North Manchester General Hospital to support recruitment issues. The eleven consultant posts will enable some specialist services to be extended across all three hospitals, ensuring equity of access to these services for women across Manchester; providing specialist care 'closer to home' and streamlining the referral pathways. The recruitment programme is now being extended to other roles and services across MFT.

"Candidates were attracted by the breath of roles available, the professional development opportunities on offer at such a large Trust, and our popular Consultant Development Programme."

Dr Sarah Vause, Medical Director, St Marys Hospital

Supporting Staff – Employee Assistance Programme

In order to retain the Trust's dedicated staff, it is vital for them to feel supported in every area of their lives. Following the creation of MFT, a 24/7 assistance programme has been rolled out across all nine hospitals, offering support with any issues MFT's employees are facing. Services were developed to provide staff with improved and enhanced support for work related or personal issues following a review of employee health and wellbeing services that took place prior to the creation of the new Trust. The Employee Assistance Programme (EAP) is available to everyone and offers a 24-hour support service that includes confidential advice, counselling services and access to an online information portal. There has been positive feedback throughout the Trust with staff actively seeking support for a wide range of personal and work related issues during the first year of operation. These issues include family problems, financial information, personal health and bereavement.

"Staff members who have used the confidential service have found it really helpful. Knowing that my staff can get immediate advice and support is a real comfort to me as a manager."

Michelle Hampson, Clinical Coordinator, Manchester Centre for Genomic Medicine

Financial and Operational Efficiency

The national focus on improving efficiency and productivity across the NHS requires taking local action to deliver financial and operational efficiency and this remains a priority for all NHS organisations. MFT continues to work hard to deliver savings through the delivery of a Cost Improvement Programme with the aim of improving efficiency, reducing waste and at the same time improving quality and safety. The formation of a new organisation provides an opportunity for increased focus for reducing unwarranted variations in every area of the hospital – reducing costs in supplies, reducing staff costs through a reduction in agency spend and by improving operational performance.

Integration Savings
Bringing together the two legacy Trusts has provided additional opportunities for efficiency benefits through the integration of clinical and corporate teams and services. In the first 12 months of operation, five focus areas have been identified based on the opportunity for financial savings from economies of scale and synergies and from using more efficient processes and working methods.

Clinical Support Service Integration schemes: The integration of Clinical Support Service across hospital sites, providing opportunities for combined contracts, cost reductions and service efficiencies. For example, work to change the Medical Equipment Service will deliver significant savings in 2018/19.

Pay harmonisation schemes: The harmonisation of pay and benefits structure for ensuring equitable remuneration and conditions across sites.

Corporate savings: The integration of the Corporate Services division including the review of team structures and removal of service duplication will deliver a 5% cost reduction on a recurrent basis.

Pharmacy Carter Plans: Cost savings identified through medicine management; reducing the cost of medicines, electronic prescribing and improved administration as identified in Lord Carter Review.

Workforce transformation: Working with third party suppliers to reduce agency and locum costs; improving the efficiency of internal systems and processes; on-going work across sites with rota harmonisation and cross site working.

The merger also provides an opportunity for a more cohesive approach to the procurement process. The joint procurement of services across hospital sites are reducing costs and increasing value for money through better negotiation power and identification of single suppliers. As an example, the Trauma and Orthopaedic Programme Board has reported significant savings from joint procurement projects across a number of sub-specialities. Forecast cost savings have already been agreed during the first year of operation across the Trauma and Orthopaedic service amounting to approximately £200,000.

Informatics Systems and Processes

Since the merger and establishment of MFT, work has commenced to improve quality and efficiency in the hospitals through the establishment of coordinated Informatics systems and processes and the use of digital technology to reduce variation across hospital sites. The informatics team at MFT has implemented a number of systems to create a suite of tools enabling teams to work collaboratively across sites, assist with clinical decision-making and improve operational efficiencies. Examples include:

- The Hive, providing web-based access to operational reports with its repository underpinned by the new MFT data warehouse.
- Lync, a set of desktop tools including WiFi access, video calling service, and instant messaging supporting cross-site collaboration, remote working and reduced travel time between hospital sites.
- A single transition network, enabling corporate and clinical services to run efficiently and safety since the establishment of MFT.

The Informatics Team have also concluded a review of the EPR Systems that are currently in use across the new Trust. It was important to agree early the way forward for the future EPR. In January 2018, it was approved that the new Trust would procure an EPR / PAS through an open Procurement process.

"This is an exciting time as we help the trust realise the clinical benefits identified as part of becoming a Single Hospital Service by harmonising clinical systems across the new organistion. The EPR decision was a significant step forward on our digital journey which will support us achieving the vision of becoming "A world class academic teaching organisation."

Alison Dailly, Group Chief Informatics Officer

Medical Workforce Improvements

One of the workforce benefits highlighted by the recent merger was an opportunity to reduce reliance on agency and locum staff. Since the merger, MFT has committed to reduce expenditure on this element of the workforce budget, not only to save the Trust money but also to improve the opportunities for employees. Two new systems have been implemented that are improving the way the Trust manages its agency spend:

TempRE: An online system providing locums with an online user friendly system covering all elements of their assignments and a centralised repository of contracts, payslips and timesheets. The system allows medical workforce to liaise with locums directly, reducing spend on agency fees.

Medic online: An e-rostering phone app is helping Junior Doctors and Consultants at Wythenshawe Hospital to manage shift cover and annual leave more easily. The system allows potential gaps in shifts to be identified and managed. As a result of the merger this system is being rolled out across all MFT hospital sites, supporting a better work-life balance for Junior Doctors and Consultants and improved recruitment and retention across the Trust.

"Making sure we have enough doctors to cover rotas through the week can be challenging and time consuming. The app means managers and rota coordinators can see potential gaps and book agency staff in advance meaning a more competitive rate, knowledge of shift coverage and the delivery of patient care."

Christine Tudor, Medical Staffing Manager

Research and Innovation

Research and Innovation allows MFT to improve the health and quality of life of patients. By combining the research and clinical strengths of the legacy Trust's, MFT will be able to develop and evaluate new treatments and technologies to achieve this ambition. Research and innovation programmes influence advances in medical care on regional, national and international levels, working collaboratively with academic partners and industry to deliver the next generation of treatments and technologies.

The merger to create MFT provides a number of exciting opportunities:

- Improved access to research, leading to better participant recruitment and improved patient outcomes;
- Accelerated adoption of research and innovation into routine clinical practice;
- A driver to leverage additional research income; and
- A more effective and efficient service for companies wanting to trial new tests, medicines and devices.

The opportunities for expanding and improving research and utilising innovation are starting to be realised as a direct response to the formation of MFT.

Life Sciences Industrial Strategy

The Government's Life Sciences Industrial Strategy brings the NHS together with government and industry to create new jobs and economic growth across the UK as well as aiming to improve care for patients.

Citylabs and Medipark, joint ventures between industry and the legacy organisations, provided an opportunity for health and medical technology business to grow and co-create new health products in collaboration with the NHS and academia. The creation of MFT has enabled these ventures to come together creating a ground breaking community of industry, clinicians and academic partners to nurture commercial success and provide new products and services for patients. It is attracting major international biotech companies to locate at the Oxford Road campus, creating a world-leading 'precision medicine campus'.

The integration of Medipark and Citylabs ensures that investment into future developments is supported by strong business demand, creating compelling and sustainable economic opportunities, and a more efficient and effective service for companies wanting to trial new tests, medicines and devices.

"The scale of the new organisation, our links to local universities, and the potential to improve the health of the populations that we serve, creates a unique opportunity. As the largest Trust in the UK, we now have huge potential to dramatically increase the amount of funding we introduce into the system for research and innovation to improve the health of patients across Manchester, Greater Manchester and the North West."

Professor Bob Pearson, Former Joint Medical Director MFT, Strategic Clinical Adviser on Academic Health Science, Honorary MAHSC Clinical Professor, University of Manchester

Single Unified Approach to Research Studies

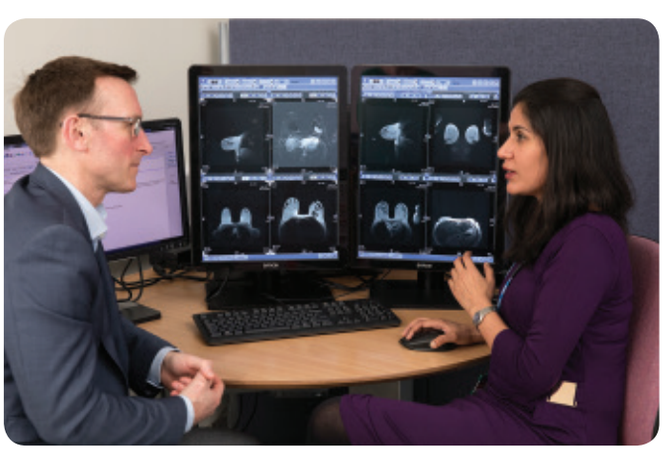
The Research and Innovation Division is creating a single unified process for the set-up of new research studies and trials across the organisation. The first part of this process was to adopt R-Peak as a common research project management system. This has played a vital role in streamlining and unifying the management of research studies across the various research centres within the Trust. Information is securely held on a central server allowing better communication and reduced duplication and ensuring that data is input, captured and coded in the same way. This has dramatically improved performance reporting to NIHR, the NHS research governing body. During Q4 2017/18, MFT initiated 94.9% of all studies to time and target, a dramatic increase from the legacy Trusts.

Intensive Care Unit (ICU) Research Trial

Patients participating in clinical trials are starting to benefit from sharing resources across sites following the creation of MFT. In one example, a patient was recruited to a complex ICU trial at MRI, assessing the use of a respiratory dialysis machine to remove partial CO_2 whilst on a ventilator. Due to the nature of ICU, there are often multiple patients recruited to a research study that require a new dialysis kit for each patient and this is not always available if multiple patients are recruited at the same time. Working together, the MRI and Wythenshawe ICU research teams and sponsor of the study looked into how they could share kit and transport across sites. This meant the patient had access to the latest treatment pathway as soon as possible and the study did not encounter any delay.

"This process was made much easier because of the merger, which has enhanced our relationship with Wythenshawe. The patient was subsequently transferred to Wythenshawe for long term ventilation needs, where colleagues were able to continue to collect data and obtain the patient's regained capacity consent, ensuring safety and high quality data."

Richard Clarke, Senior Clinical Research Nurse



Education and Training

Education and training are regarded as an essential part of the NHS not only to deliver excellence but to ensure that the NHS is responsive to changes in patient needs across healthcare. The Trust's vision is to widen access and exposure to education and training for staff and students, with the aim of delivering high quality care for all patients. The formation of MFT has provided an opportunity to improve career development opportunities, offer a choice of work locations and provide rotations to gain skills and experience thereby promoting a positive staff experience.

Educators' Development Programme

Traditionally, a number of courses had been developed to support educators within medical education by the education teams at the Wythenshawe and Oxford road sites. An educator's conference had also been developed on the Oxford Road site.

Following the merger, irrespective of location within the Trust, medical staff are now able to access an increasing number of educational sessions at either site, offering a greater choice of sessions. Regular updates are issued as new courses become available.

Neonatal Rotation Initiative

As a result of the merger a neonatal nursing rotation initiative has been established, giving nursing staffing from Wythenshawe Hospital and St Mary's Hospital an opportunity to work across the different services within MFT. The Neonatal service at the Oxford Road Campus is a level 3 service, looking after acutely ill and preterm babies that need the highest levels of intensive care. Conditions are often life-threatening with babies requiring constant close monitoring and support. The unit at Wythenshawe Hospital is a level 2 service providing short term intensive care and high dependency care. The service has a community focus and excels in patient experience feedback. Following the merger, rotations between the newborn services provided at both hospitals were offered to staff. Offering rotations allows staff to experience different working environments and opportunities to advance their learning and training. Staff at Wythenshawe Hospital are able to increase intensive care skills and gain exposure

to surgical care. Staff from St Mary's are able to understand how other neonatal units function and increase their managerial skills.

"This initiative has increased opportunities and choices for staff, which in turn makes them feel valued. A joint competency package was developed to identify individual needs and ensure that staff realised what they wanted to achieve."

Kath Eaton, Lead Nurse for Newborn Services

Mary Seacole Programme

MFT has been approved as a host organisation for the Mary Seacole Programme following the merger. The Trust was selected due to its increased size, capacity and commitment to providing excellent health leadership development. The programme is designed for first-time leaders in healthcare or those aspiring to their first formal leadership role, and is developed and run by the NHS Leadership Academy. Being part of the programme enhances the reputation of the Trust a as place to train and work in Greater Manchester and offers employees access to a nationally recognised qualification. The programme is locally-tailored to offer training across all partnership organisations in Greater Manchester. 70 participants have completed the course since the merger with another 47 registered until December 2018.

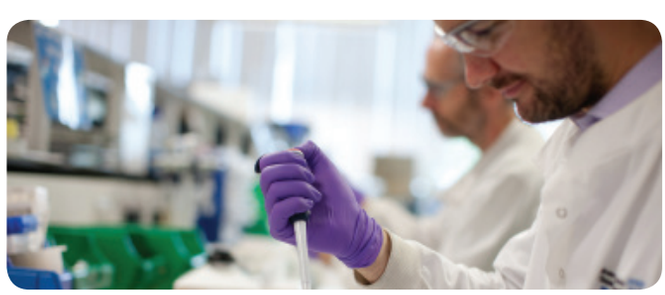
Libraries Service

Following the recent merger, MFT staff and students now have extended access to books, online journals and study areas. Access to online resources has expanded and new facilities have been provided at Trafford Hospital, the Oxford Road campus and Wythenshawe Hospital. This includes work pods with integrated device chargers, access to new PCs and new furniture to enhance the learning environment for students.

Emergent Benefits

There have been a number of emergent benefits that have also been realised as a result of the merger. These are benefits that were not identified in the original benefit plans for the merger, and have emerged during the design and implementation of new ways of working across the Trust. Opportunities for these types of benefits are continually being explored and demonstrate additional value to the creation of MFT. Early examples include:

- **Fellowship programme:** The combined Trauma and Orthopaedic service is leveraging its size and scope to create a fellowship programme.
- **MFT Frailty Standards:** A set of standards for the care of frail patients have been agreed that cross all MFT sites and services.
- **Shared capacity for trauma surgery:** At times of high demand for trauma surgery and longer waiting times at MRI, some patients have been transferred to Wythenshawe Hospital for their surgery.
- **Gynaecology Multi-Disciplinary Teams:** Cross site endometriosis and urogynaecology Multi-Disciplinary Teams have been established, improving patient access to specialists and increased capacity across MFT.
- **Gynaecology shared elective capacity:** Over 100 elective patients have chosen to transfer their care from St Mary's to Wythenshawe where they will be seen more quickly.
- **Fractured neck of femur improvements:** The implementation of a shared approach to fractured neck of femur governance has led to improvements in key metrics at Wythenshawe Hospital and MRI.
- **Urgent care recruitment:** A joint recruitment programme to fill specialist urgent care roles is being carried out across the Trust.
- **Microbiology centralisation:** The Microbiology lab will be centralised from Wythenshawe into a new, state of the art, facility at Oxford Road with associated benefits.



9 Lessons Learned

A number of important lessons have been learnt through the merger process and during the new Trust's first year of operation. It is important to appraise both the strengths and the challenges although, inevitably, it is more useful to reflect on areas where the process could be improved. Lessons learnt will continue to be used to inform programme decisions and to improve the arrangements put in place for any future transactions.

Areas of Strength

Some of the key strengths of how the merger was undertaken, and how the new Trust has operated in its first year are as follows:

Strategic issues

The Single Hospital Service Review and the reports produced by Sir Jonathan Michael provided a very firm strategic basis for the merger programme, with a clear vision that was widely understood and accepted. The key messages from the original review have been sustained throughout the process and are still relevant now.

The Single Hospital Service Programme arose out of the requirements of the Manchester Commissioners and the Manchester Locality Plan, but the overall approach is also completely consistent with the GM "Taking Charge" strategy, including the emphasis on collaborative working within and across health and social care systems. The merger (and the planned acquisition of NMGH) are creating an organisation which will be a more effective vehicle for delivering key aspects of the GM strategy, particularly in Themes 3 and 4.

Engagement and involvement

A significant amount of time and effort was expended on involving and engaging key constituencies in the process, most importantly the engagement with senior clinical staff throughout the two Trusts. In particular, clinicians with dedicated Clinical Lead roles were identified and a standing Clinical Advisory Group was put in place. These arrangements proved to be invaluable in the run in to the merger and the early period post-merger, and have been a strong influence on how the "business as usual" operation of the new organisation has been developed.

Importantly time was also committed to engaging with staff side. A local partnership forum was established specifically to engage with staff representative colleagues and Full Time Officers in a proactive way on Single Hospital Service matters. This forum took a partnership approach to agree processes in relation to consultation, management of change and integration, and development of terms and conditions for new starters from day one of MFT. These arrangements continued until December 2017 when the new Joint Negotiating and Consultative Committee was established.

The clarity of the strategic approach has also facilitated effective stakeholder engagement, and the new organisation has been fortunate to benefit from positive relationships with its main Commissioners and other partners throughout Greater Manchester. Detailed stakeholder mapping from the early stages of the programme was an essential part of optimising relationships, understanding, and support for the merger.

"The Chair and Chief Officer of Healthwatch Manchester were interviewed as part of the CMA review of the merger between CMFT and UHSM and we have maintained a constructive dialogue with the SHS leads from an early stage. The move to a Single Hospital Service is welcomed by Healthwatch Manchester. We are monitoring the impact of this initiative closely on local people with particular regard to those patients with protected characteristics."

Neil Walbran, Chief Officer, Healthwatch Manchester

The programme team included five clinical leads from UHSM and CMFT

Neil Davidson

SHS Clinical Lead
Medical Consultant

Cardiologist/Deputy Medical Director, UHSM

Ngozi Edi-Osagi

SHS Clinical Lead
Medical Consultant

Neonatalologist/Associate Medical Director, CMFT

Debra Armstrong

SHS Clinical Lead
Nursing

Deputy Director of Nursing (Quality), CMFT

Caron Crumbleholme

SHS Clinical Lead
Nursing

Head of Nursing (Scheduled Care), UHSM

Lesley Coates

SHS Clinical Lead
AHP

Head of Nutrition and Dietetics, UHSM

Leadership and Organisational Development

The new organisation prioritised the establishment of experienced and effective senior leadership teams for each of the Hospitals and Managed Clinical Services. The new leadership teams included experienced individuals from the two predecessor organisations, along with key appointments of senior leaders from elsewhere.

The relationship between the Group management and the Hospital leadership teams was given very careful consideration prior to the transaction date, but it has continued to be a subject for active consideration throughout the first year of operation. In particular, the Accountability Oversight Framework (AOF) and the associated review processes have been evolved and iterated in this time, and it is likely that they will continue to be developed and refined. This is an entirely health process that is helping the Trust to ensure that the Group and each of its constituent elements can operate as effectively as possible.

There has been a clear and sustained emphasis on cultural work and organisational development. This commenced from the audits of organisational culture that were undertaken prior to the merger and has been maintained through the organisational change processes, the development of the new statement of behaviours and values, and other key OD activities. Cultural differences are known to be a key risk issue in organisational mergers, and the time and effort put into developing a positive approach has been beneficial.

Planning and review

NHS I now places much greater emphasis on PTIP in its assurance processes, and this perhaps creates a risk that PTIP will be seen simply as something that is required to negotiate an external process, rather than being of primary importance in managing the organisational merger. The two Trusts always took the development of the PTIP very seriously, and invested a lot of time and effort in developing multiple iterations, so that the document remains relevant and up to date. Three iterations were developed in the run in to the merger, and a fourth version following the first 100 days. The fifth iteration is being developed following completion of the first year of operation. Board members have been closely involved in the development of PTIP, and there have been regular progress reports at Board level throughout the merger process. This has meant that PTIP has continued to be the central function in guiding MFT's management of its integration agenda.

The merger process has been subject to a number of external audit processes, from the original Reporting Accountant Reports, through to follow-ups on PTIP and on how the new organisation performs against the Well Led framework. These processes have helped to maintain the standard of the integration work in the merger, from planning through to implementation, and although the audit outcomes have always been positive there has also been something to learn from each exercise.

Programme management and resourcing

In the process of preparing for the merger, the SHS programme team was set up to have a semi-independent role, working between the two merging Trusts. In particular, the SHS Director was clearly understood to be independent, and had sufficient seniority to join the Executive Team and Board meetings at both Trusts. This was of great benefit in fostering confidence in the two Trusts as to the fairness of the process, and allowed more rapid progress to be made.

The use of external support, for example from the major consultancies, was deliberately kept to an absolute minimum, and was focused on areas where specialist skills were required, rather than just additional capacity. This approach means that there is far better ownership, and buy-in to the integration process, and that continuity and organisational memory are maintained. In essence, the people involved in diagnosing the challenges and developing the integration plans are the same people who then take responsibility for implementation. This has been balanced with sufficient external due diligence and audit work to provide adequate assurance on the information being reported at Group Board-level.

The dedicated resourcing that the programme was able to access from the GM Transformation Fund to support the transaction process and the integration and transformation activities over the first twelve months of operation has been essential to the delivery of the planned benefits.

Areas for Improvement

Programme management

The programme management arrangements for the merger have generally been successful. The two Trusts were fortunate to be able to benefit from resourcing from the GM Transformation Funds, and this allowed for the establishment of a dedicated programme team, with a very experienced and independent senior leader. The team also able to second in key players from within the two Trusts, and this produced a positive blend of local knowledge, established relationships and balanced involvement. The governance processes operated by the programme team were also well organised and effective, as were the communication and engagement activities. The merged Trust has been able to keep together a programme team including many of the key individuals form the merger process, and this group is now managing the process to acquire North Manchester General Hospital. It is expected that the Trust will continue to be able to fund this function from GM Transformation Fund monies. If the Trust were to become involved in a further transaction after the completion of the Manchester Single Hospital Service programme, careful thought would need to be given to how to fund and establish a programme team with the relevant capacity and capabilities.

The scale and complexity of the programme made it inherently difficult to manage, and this was particularly true of the Post Transaction Integration Plan, where there were a very significant number of different activities that had to be monitored and managed, and a changing programme of work that was updated with each iteration of PTIP. To support the management of this process, the Trusts agreed to deploy a programme management tool (Wave). The functionality of Wave has proved to be very useful, and it is now used to support all of the new Trust's integration and transformation activities. There was a problem, however, with the initial implementation process. The need for a structured programme management tool was not recognised until the PTIP was quite well developed, and many of the Day One plans were being implemented. As such, the Single Hospital Service Programme Team and IM&T had to support the implementation of the package at a time when the planning and implementation agenda was already very busy, and sometimes plans that had already been recorded in other formats had to be re-keyed.

Wave has been used extensively and actively in managing the integration process, and over the long term, there is no doubt that it has been beneficial to have a structured programme management tool in place. However, it is likely that the benefits would have been greater, and the disadvantages reduced, if there had been an earlier realisation that a system of this sort would be required.

Working with external agencies

The merger process required the two Trusts to work in close collaboration with a number of external

Working with the Councils of Governors

The level of work required with the two Councils of Governors (CoGs) exceeded the original plans and expectations. The process started positively, but as the merger programme developed it became apparent that the interests and needs of the two CoGs were quite different i.e. "one size" did not fit all. There would have been a benefit in preparing a more detailed plan from an earlier stage, including more analysis and testing of the different requirements of the two groups.

At some points there was significant challenging back from the Governors and, while this is not a problem in itself, it did demonstrate that more preparation and support was needed. The intensity of the engagement with the CoGs was stepped-up in the middle of the process, in recognition of the scale of the task, and the fact that not all of the Governors were in the same place. Working closely with the two Board Secretaries was very beneficial, and it was helpful that the Programme Team had its own governance lead to facilitate these processes. The position reached with the CoGs at the end of the process was very positive, but more preparation at an earlier stage would have been advantageous.

"Governors were actively listened to and every effort was made to help us understand the formal transaction processes. The Single Hospital Team arranged independent legal advice so that we fully understood our role at the point a vote on the merger was taken."

Geraldine Thompson, MFT Lead Governor

agencies, but particularly the CMA and NHS I. Much of the interaction with the CMA was facilitated through the Economic Advisors (Aldwych Partners) and the Trust was fortunate to have such effective and expert support. The relationship and interactions with the CMA proved to be unproblematic throughout the process. The CMA's working arrangements were clear and easy to understand, and the CMA team seemed to be highly responsive, and gave meaningful feedback in a timely manner. As such, although there was no pre-existing relationship, the Trusts quickly developed a high degree of confidence that the CMA team would operate effectively and efficiently in line with their guidance.

Engagement with NHS I proved to be more problematic. Throughout the merger process, the NHS I Transaction Guidance was in a state of flux, with revisions to the guidance repeatedly being promised, but not delivered. The role of the competition team was not always as clear as it could have been. The process for critiquing the Patient Benefits Case was slow and cumbersome. The issues raised by the competition team did not always seem well informed, and there were often lengthy delays in getting responses.

The two Trusts invested a significant amount of time and energy in managing relationships with external agencies, and this proved to be essential in making sure the merger progressed on the planned timescale.

Working in a novel transaction environment

The transaction was a true merger between two existing acute Foundation Trusts. There had only been one previous merger in the NHS, with all the other transactions being acquisitions, so the two Trusts

were exploring new territory in pursuing a merger. The significant additional challenge that comes with a merger is that both of the predecessor organisations cease to exist, and so there is no constitution, senior leadership, governance arrangements or operational processes that can automatically be carried forward to the new organisation.

To address this situation, the two Trusts had to agree ways to work collaboratively in the run in to the merger, including the creation of the Interim Board, and the integration plans had to set some very rapid timescales for putting in place the new governance arrangements. There also had to be some careful judgements made about how legacy operational process could be maintained until such time as new integrated arrangements could be implemented.

All of the experience of the transaction and the first year of operation indicates that a merger was the only way to create an effective new organisation: the merged Trust is significantly different in size, scope and culture from either of its predecessor, and entirely governance arrangements and organisational structure would always have been necessary to make it function properly.

Further transactions that the Trust may be involved in are likely to be acquisitions rather than mergers, so the risk of encountering this problem again is limited. Having said that, the learning from this experience is that:

- Mergers are intrinsically more complex than acquisitions, requiring expert legal and economic advice.
- Undertaking novel processes inevitably takes more time, effort and care than following a "well-trodden path".
- The right transaction mechanism is the one that produces the right sort of post-transaction organisation.
- The engagement of Governors is critical to the smooth management of a merger of two NHS Foundation Trusts.

Describing merger benefits

The process that the two Trusts went through to deliver the merger included extended and detailed engagement with the CMA. To ensure clearance from the CMA to proceed with the merger, there was a requirement to develop a Patient Benefits Case, and this attempted to quantify what the CMA would recognise as "Relevant Customer Benefits" (RCBs). In large part, NHS I accepted that it could depend on the CMA's assessment of patient benefits, so the Patient Benefit Case became the principal description of the merger benefits, and a lot of time and resource was put into evidencing these benefits robustly.

In many ways, this was beneficial, in that it ensured that a high priority was attached to patient benefits, and some of these were described in considerable detail. However, there may have been an effect whereby the focus on this benefit area was at the expense of detailed work on other areas, such as finance. It was always recognised that there would be financial benefits associated with the merger. These were not deemed to involve the delivery of productivity improvements beyond the scope of what the two Trusts would have been seeking to achieve absent the merger, but it was argued that the merged organisation would have greater confidence about delivering the productivity improvement objectives determined through the normal NHS processes, for example, tariff deflation, particularly over the longer term.

The fact that there was less emphasis on describing the detail of financial benefits in the pre-merger phase has meant that in tracking the delivery of integration plans in the first year of operation it has been difficult to link these back to business as usual financial planning processes.

Strategy development

The predecessor organisations had strategic intentions of one sort or another that predated the merger, but during the period running up to the merger it was no longer appropriate to update or develop these. It was always clear that, when the new organisation commenced operation, there would be some elements of strategic thinking that could be continued from the previous organisations. Similarly, there would be some themes that arose out of the objectives of merger itself, for example, developing single services, minimising variation, and learning from the best services in the Trust. However, there was also an explicit understanding that there would be a need to develop a comprehensive new strategy for the new organisation, and this has been a consistent feature in all of the iterations of PTIP.

The initial intention was that the new strategy should be developed by March 2018 i.e. within six months of the creation of MFT, but in practice the process has

taken longer to deliver. Prior to the commencement of the Service Strategy Programme it was determined that:

- the strategy development work should be focused on a long-term time frame i.e. five to ten years
- in order to expedite the delivery of the quality and financial benefits the strategy development work should be supported by specialist external resources which involved a procurement process to identify and secure the correct support
- the scope of the strategy development work was too extensive to undertake it as one exercise, and so it was broken down into three "waves", with some services being considered earlier and others later.

In combination, these effects have meant that the timeframe for the completion of the new strategy will be circa 12 months following commencement in May 2018. Work to realise the merger benefits has continued to be progressed through the Trust's Transformation Programme, and those services where reconfiguration was likely to be required were planned in to the early waves of the strategy programme. For services where a major reconfiguration is envisaged, the strategic planning process may be followed by a lengthy implementation timescale, and this may mean that some merger benefits take longer to deliver than would originally have been expected.

It was recognised that the service strategy should, as far as possible, take account of the incorporation of North Manchester General in to MFT. This is being achieved by asking the clinical leads to consider scenarios with and without NMGH for any significant service change. It must be recognised that this has introduced further uncertainty into the process.

Any further transactions that the Trust is involved in are unlikely to require a wholesale redevelopment of strategic thinking on this scale, so the risks of encountering this problem again are limited. Having said that, the learning from this experience is as follows:

- to begin to consider how the long term strategy work can be effected at as early a stage as possible
- to give careful consideration to the lead time and resource requirements for an exercise of this scale and scope
- to identify any benefits that rely on the completion of the development of a long-term strategy at an early stage and plan accordingly.

This would minimise the risk of tensions between the pressure for rapid implementation of transformational change, and the need for all service change proposals to be developed in the context of a clear and comprehensive long-term strategy.

In Summary

Many elements of the merger programme have progressed well and, overall, the merger process has managed the key risks effectively, and has delivered the planned benefits for the first year of operation. However, there are always lessons to be learnt in major projects of this sort, and the issues identified above should be used to improve the arrangements put in place for any similar future exercise.

10 Conclusion

MFT was established as a new organisation on 1st October 2017. Since then significant work has been undertaken to transition and integrate the two predecessor organisations, slowly and carefully evolving the new organisation to one that has the right culture from the start, and that maintains a focus on patient safety, patient experience and high quality care.

The Trust intends to build one of the best healthcare systems in the world, underpinned by a clear understanding of the needs of the people it serves and a commitment to the skilled and dedicated people that work within it. Significant transformation will be carefully delivered over the coming years as MFT fully implements its developing service strategy and NMGH is integrated into the organisation.

The work undertaken to date, and future plans that have been made, have been achieved with the continued support of organisations in the City of Manchester and Greater Manchester, including the Greater Manchester Health and Social Care Partnership, Manchester City Council, Trafford Council and commissioners.

"I have been very impressed by our teams' enthusiasm and receptiveness to new ways of doing things during our first year as Manchester University NHS Foundation Trust – and would like to thank everyone for their contribution. I look forward to continuing to work with staff and partner organisations to further develop our world class staff and services to benefit patients."

Kathy Cowell OBE DL, Chairman

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