

ENFORCEMENT UNDERTAKINGS

LICENSEE:

Mid Cheshire Hospitals NHS Foundation Trust (“the Licensee”)
Leighton Hospital
Middlewich Road
Crewe
Cheshire
CW1 4QJ

DECISION

NHS England, on the basis of the grounds set out below, and having regard to its Enforcement Guidance, has decided to accept from the Licensee the enforcement undertakings specified below pursuant to its powers under section 106 of the Health and Social Care Act 2012 (“the Act”).

GROUNDS

1. License

1.1 The Licensee is the holder of a licence granted under section 87 of the Act.

2. Breaches

2.1 NHS England has reasonable grounds to suspect that the Licensee has provided and is providing health care services for the purposes of the NHS in breach of the following conditions of its licence:

2023 Licence	Summary of condition
NHS2(5)(a), (b), (c), (d) and (f)	<p>The Licensee shall establish and effectively implement systems and/or processes:</p> <ul style="list-style-type: none">(a) to ensure compliance with the Licensee’s duty to operate efficiently, economically and effectively;(b) for timely and effective scrutiny and oversight by the Board of the Licensee’s operations;(c) to ensure compliance with health care standards;

	<p>(d) for effective financial decision-making, management and control (including but not restricted to appropriate systems and/or processes to ensure the Licensee's ability to continue as a going concern);</p> <p>(f) to identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the conditions of its licence;</p>
CoS3	<p>The Licensee shall at all times adopt and apply appropriate systems and standards of corporate governance and financial management.</p>

3. Financial Sustainability and Governance

3.1 In particular:

- 3.1.1 the Licensee reported circa (c.) £34.4m deficit (excluding deficit support funding (DSF)) for the financial year (FY) 24/25.
- 3.1.2 the Licensee's financial outturn (FOT) for FY24/25 was a positive variance to plan of £1.2m.
- 3.1.3 the Licensee had a recurrent Cost Improvement Programme (CIP) Plan of £22.4m in FY24/25 with a 90.3% recurrency target. The Licensee delivered £22.4m CIP in FY24/25, albeit only 55.5% was recurrent.
- 3.1.4 the exit underlying position of the Licensee at 31 March 2025 was reported as a £48.8m deficit.

3.2 The PricewaterhouseCoopers FY25/26 Rapid Financial Diagnostic carried out across the Cheshire and Merseyside Integrated Care System in June 2025, highlighted the following issues and financial risks at the Licensee:

- 3.2.1 a key planning assumption is that delivery of the FY25/26 Financial Plan is predicated on delivering the 65-week referral to treatment times target within core and without additional funding and continued management capacity and pace to deliver the CIP Plan.
- 3.2.2 there is a significant jump in CIP targets between FY24/25 (£22.4m) and FY25/26 (£31.7m).
- 3.2.3 the Licensee faces significant challenges regarding reinforced autoclaved aerated concrete. Although additional funding has been provided to cover the

cost of temporary structures to limit the impact on services, the management time required to deliver this limits operational capacity.

3.2.4 based on recent deficit drivers analysis completed by the Licensee, a number of strategic drivers have been identified. These include the non-inclusion of tariff income in contracts, variations in the allocation of top-up funding, and community service contracts not being uplifted since 2017 to represent changes in the demographic profile.

3.2.5 the Licensee has unfunded pressures associated with 'no criteria to reside' and non-elective mental health patients, which creates a circa. £3m cost pressure in the Licensee's position.

3.3 The matters set out above demonstrate a failure of financial governance arrangements and financial management by the Licensee, including, in particular:

3.3.1 a failure by the Licensee to adopt and apply systems and standards of corporate governance and of financial management which reasonably would be regarded as:

- (a) suitable for a provider of the Commissioner Requested Services provided by the Licensee, and
- (b) providing reasonable safeguards against the risk of the Licensee being unable to carry on as a going concern.

3.3.2 a failure to establish and effectively implement systems and/or processes:

- (a) to ensure compliance with the Licensee's duty to operate efficiently, economically, and effectively;
- (b) for effective financial decision-making, management, and control (including but not restricted to appropriate systems and/or processes to ensure the Licensee's ability to continue as a going concern); and
- (c) to identify and manage material risks to compliance with the conditions of its licence including through development and delivery of forward plans; and

4. Performance

4.1 In particular:

4.1.1 the Licensee's A&E performance for March 2025 was 59.8%, which was a deterioration in performance compared to 12 months prior (March 2024 – 60.6% performance) and below the national ambition for 2024/25 of achieving 78%.

4.1.2 the Licensee's A&E performance in 2025/26 has continued to deteriorate. Latest published A&E performance for August 2025 shows performance of 56.0%, which was the second lowest performance nationally of all NHS acute trusts in England.

4.1.3 similarly, the Licensee's performance for percentage of patients spending over 12 hours in the Emergency Department (ED) in March 2025 was 14.1%. This was an increase compared to performance 12 months prior (13.7% in March 2024).

4.1.4 the Licensee's 12 hours in ED performance in 2025/26 has similarly continued to deteriorate. Latest published 12 hours in ED performance for August 2025 shows performance of 19.6%, which placed the licensee in the bottom ten performing NHS acute trusts in England.

4.1.5 the Licensee is part of the National Tiering Programme and has been placed in Tier 1 for electives and Tier 1 for urgent emergency care for Quarter 2 2025/26.

4.1.6 the Licensee's 18 week wait and 52 week wait elective performance has been sustained over the past two years. However, the Licensee has been consistently below its operating plan for June and July 2025 for 18 week waits referral to treatment and below plan for July 2025 on the long waits. The Licensee is ranked nationally 115/134 for 18 referral to treatment times and 113/134 for 52 week waits based on the Waiting List Minimum Data Set data for 12 September 2025. Therefore, this reflects a bottom quartile position nationally for both 18 week waits and 52 week waits. The organisation has continued to forecast breaches for 65 week wait patients up to March 2026.

The matters set out above demonstrate a failure of governance arrangements by the Licensee, including, in particular a failure to establish and effectively implement systems and/or processes:

- (a) for timely and effective scrutiny and oversight by the Board of the Licensee's operations;
- (b) to ensure compliance with healthcare standards binding on the Licensee.

5. Need for Action

5.1 NHS England believes that the action, which the Licensee has undertaken to take pursuant to these undertakings, is action to secure that the breaches in question do not continue or recur.

6. Appropriateness of Undertakings

6.1 In considering the appropriateness of accepting in this case the undertakings set out below, NHS England has taken into account the matters set out in its Enforcement Guidance.

UNDERTAKINGS

NHS England has agreed to accept, and the Licensee has agreed to give the following undertakings, pursuant to section 106 of the Act.

1. Financial planning

- 1.1 The Licensee will deliver the 2025/26 Financial Plan, as agreed with NHS England.
- 1.2 The Licensee will deliver a quarter-on-quarter run rate improvement from Quarter 3 2025/26 and throughout 2025/26.
- 1.3 The Licensee will comply with all documented actions required by NHS England through the monthly oversight meeting led by NHS England, or its representative.

2. Funding conditions and spending approvals

- 2.1 Where interim support financing or planned term support financing is provided by the Secretary of State for Health to the Licensee pursuant to section 40 of the National Health Service Act 2006, the Licensee will comply with any terms and conditions which attach to the financing.
- 2.2 The Licensee will comply with any reporting requests made by NHS England in relation to any financing to be provided to the Licensee by the Secretary of State for Health pursuant to section 40 of the NHS Act 2006.
- 2.3 The Licensee will comply with any spending approvals processes that are deemed necessary by NHS England.

3. Performance

- 3.1 The Licensee will take all reasonable steps within its control to:

- 3.1.1 improve waiting times for patients attending A&E at Mid Cheshire Hospitals NHS Foundation Trust, with the ambition to achieve a minimum of 78% A&E performance by March 2026.

- 3.1.2 as a minimum, the Licensee will reduce the proportion of patients spending over 12 hours in ED to the agreed plan of less than 13% by March 2026, but with a stretch ambition of reducing to less than 10% or lower by March 2026 (as per ambition set out in the National Urgent Emergency Care Delivery Plan for 2025/26).
- 3.1.3 improve 18 week wait elective performance, with the ambition of reducing the proportion of patients waiting over 18 weeks to 60% and get back on plan by March 2026.
- 3.1.4 improve 52 week wait elective performance, with the ambition of reducing the proportion of patients waiting over 52 weeks to 1% and get back on plan by March 2026.
- 3.1.5 improve waiting list size for elective performance, with the ambition of reducing the proportion of patients waiting to the plan of 33,512 by March 2026.
- 3.1.6 eradicate all 65 week wait patients by 31 December 2025.

4. Reporting

- 4.1 The Licensee will provide regular reports to NHS England through the monthly oversight meetings led by NHS England or its representative on its progress in complying with the undertakings set out above.
- 4.2 The Licensee will attend monthly oversight meetings, or, if NHS England stipulates, conference calls, as required, to discuss its progress in meeting those undertakings. Oversight meetings will be led by NHS England or its representative, with attendees specified by NHS England.
- 4.3 The Licensee will provide NHS England with the assurance relied on by its Board in relation to its progress in delivering these undertakings, upon request.
- 4.4 The Licensee will comply with any additional reporting or information requests made by NHS England.

The undertakings set out above are without prejudice to the requirement on the Licensee to ensure that it is compliant with all the conditions of its licence, including any additional licence condition imposed under the Act and those conditions relating to:

- compliance with the health care standards binding on the Licensee; and
- compliance with all requirements concerning quality of care.

Any failure to comply with the above undertakings will render the Licensee liable to further formal action by NHS England. This could include the imposition of discretionary requirements under section 105 of the Act in respect of the breach in respect of which the undertakings were given and/or revocation of the licence pursuant to section 89 of the Act.

Where NHS England is satisfied that the Licensee has given inaccurate, misleading or incomplete information in relation to the undertakings:

- (i) NHS England may treat the Licensee as having failed to comply with the undertakings; and
- (ii) if NHS England decides so to treat the Licensee, NHS England must by notice revoke any compliance certificate given to the Licensee in respect of compliance with the relevant undertakings.

LICENSEE

Signed



Megan Nurse, Chair



Ian Moston, Chief Executive Officer

Dated: 2nd December 2025

NHS ENGLAND



Signed Louise Shepherd, (North West Regional Director and Chair of the Regional Support Group) Dated: 03.12.2025