Northampton General Hospital NHS Trust

Auditor's Annual Report
Year ending 31 March 2026

26 June 2006

Contents

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for Northampton General Hospital NHS Trust during 2025/26 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the NHS Trust are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Trust as at 31 March 2026 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2025/26, and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We also consider the Annual Governance Statement and the relevant disclosures within the Annual Report including the Remuneration and Staff Report.

Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of an NHS body has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State and notified to NHS England. They may also issue:

- Statutory recommendations to the Trust Board which they must consider publicly
- A Public Interest Report (PIR).

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify.

The NHS – context

Recovering performance amid high demand, workforce pressure and financial constraint.

National

Past

Historic Pressures

Long waits, rising demand and persistent backlogs in investment has created sustained pressure on hospital capacity, workforce and flow.

Infrastructure strain

Ongoing productivity challenges and ageing infrastructure has left acute providers struggling to keep pace with rising activity and complexity.

Present

Performance gaps

Despite record elective and emergency activity, urgent care performance remains below standards, with 12-hour waits continuing to increase.

Pressured finances

Acute Trusts must deliver 4% productivity gains and reduce cost bases by 1% amid tight budgets and rising demand.

Future

Recovery Focus

Acute Trusts will be expected to accelerate elective recovery, improve A&E and ambulance performance, and strengthen flow models such as same-day emergency care (SDEC).

Pathway Shift

National reforms will increasingly shift care closer to home, requiring acute providers to redesign pathways with community partners in a devolved system.

Local

The Trust delivers acute health and some community services to the residents of Northampton and the surrounding areas, serving a growing and diverse population with increasingly complex health needs. It works in collaboration with Kettering General Hospital NHS Foundation Trust as part of the University Hospitals of Northamptonshire (UHN) Group, with shared Executive and Non-Executive roles and Committees-in-Common in place. During the year, group arrangements have developed through closer working with University Hospitals of Leicester NHS Trust (UHL), including some shared senior leadership roles.

The population served includes areas of significant deprivation and an increasing number of older people, contributing to rising demand for urgent, elective and long-term condition services. The Northamptonshire system continues to experience a challenging financial position, with a significant underlying deficit held partly by the Trust. Key priorities remain the development of a sustainable medium-term financial plan, delivery of efficiency programmes, addressing performance issues particularly in Urgent Emergency Care and strengthening collaborative working to support service sustainability.

It is within this context that we set out our commentary on the Trust's value for money arrangements in 2025/26.

02 Executive Summary

Executive summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Trust's arrangements is set out below. Further detail can be found on the following pages.

Criteria	2024/25 Assessment of arrangements		2025/26 Risk assessment	2025/26 Assessment of arrangements	
Financial sustainability	R	Significant weakness in arrangements identified in relation to delivering savings and a key recommendation raised. We also raised two improvement recommendations.	Risk of significant weakness identified in relation to arrangements to secure financial sustainability, including savings delivery and revised enforcement undertakings.	R	Significant weakness in arrangements identified for both financial planning and delivering savings, with two key recommendations made. We also raise one improvement recommendation in relation to the Trust's estates strategy.
Governance	A	No significant weaknesses identified. We raised one improvement recommendation relating to collaborative working.	No risks of significant weakness identified.	A	No significant weaknesses identified. We have re-raised one improvement recommendation relating to collaborative working and added a further improvement recommendation in relation to the arrangements to support the audit of the financial statements.
Improving economy, efficiency and effectiveness	R	Significant weakness in arrangements identified in relation to responding to Urgent & Emergency Care department demand and a key recommendation raised.	Risk of significant weakness identified in relation to Urgent & Emergency Care improvement.	A	Prior year significant weakness in arrangements closed and two improvement recommendations raised in relation to managing Care Quality Commission (CQC) improvement actions and safer staffing in the Emergency Department.

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Executive Summary

We set out below the key findings from our commentary on the Trust's arrangements in respect of value for money.

Financial sustainability

The Trust has in place core arrangements for financial planning, cost improvement and financial risk monitoring. Annual planning, Board and committee oversight, cashflow reporting, and costing and benchmarking information provide further support. However, these arrangements have not yet translated into a clear, deliverable medium-term trajectory to financial sustainability. Recurrent solutions to the underlying deficit are underdeveloped, the multi-year savings pipeline is not yet sufficiently mature, and the scale and pace of savings delivery continue to present significant risk. While financial reporting is transparent and key strategies are aligned to the financial plan, the absence of an Estates Strategy also weakens the framework for longer-term capital planning. We have raised two key recommendations and have also raised one improvement recommendation.

Governance

The Trust has sound arrangements for governance, risk management and internal control, supported by clear structures, committee oversight and regular reporting. Strategic risks are managed through the refreshed Board Assurance Framework (BAF) which we consider notable practice. Other assurance mechanisms provide structured independent review. Financial reporting gives clear visibility of budget performance, savings delivery and key risks, but improved year-end working papers are required to support the audit process. Governance and decision-making arrangements support informed oversight, with clear Board papers and effective committee escalation. The Trust has also strengthened Freedom to Speak Up arrangements. Further collaboration should be progressed without destabilising UHN arrangements which continue to embed.

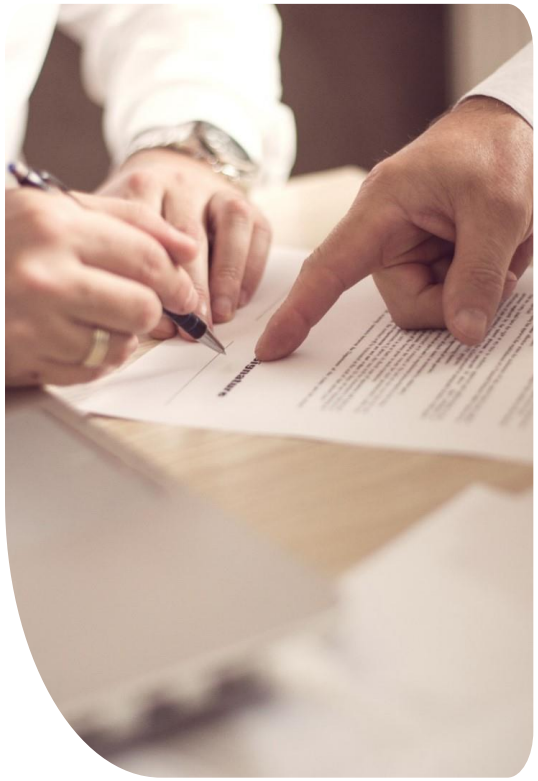
Improving economy, efficiency and effectiveness

The Trust demonstrates improving arrangements across governance, performance management and partnership working, with evidence of responsiveness to regulatory findings and active Board oversight through regular reporting. Action plans arising from inspections have been implemented and have delivered measurable improvements, particularly in urgent and emergency care. However, some improvements are not yet fully embedded, particularly in the consistent tracking, escalation and assurance of CQC actions. Performance and financial pressures remain key risks, alongside workforce challenges in emergency care. The Trust continues to strengthen collaborative working and procurement arrangements, although some elements remain at an early stage of maturity.

Executive summary – auditor's other responsibilities

This page summarises our opinion on the Trust's financial statements and sets out whether we have used any of the other powers available to us as the Trust's auditors.

Auditor's responsibility	2025/26 outcome
Opinion on the Financial Statements	We have completed our audit of your financial statements and issued an unqualified audit opinion on 26 June 2026. Our findings are set out in further detail on page 11.
Use of auditor's powers	We issued a section 30 referral to the Secretary of State for Health and Social Care regarding the Trust's break even duty on 10 June 2024. No other issues have been identified during our work which require us to make statutory recommendations, or issue a Public Interest Report (PIR).



03 Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

These pages set out the key findings from our audit of the Trust's financial statements, and whether we have used any of the other powers available to us as the Trust's auditors.

Audit opinion on the financial statements

We have completed our audit of your financial statements and issued an unqualified audit opinion on 26 June 2026.

The full opinion will be included in the Trust's Annual Report for 2025/26, which can be obtained from the Trust's website.

Grant Thornton provides an independent opinion on whether the Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2026 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2025/26, and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We conducted our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Trust in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The Trust provided draft accounts in line with the national deadline.

Draft financial statements were of a reasonable standard however these were not supported by appropriate working papers in line with the agreed timescale. We have raised an improvement recommendation in relation to this.

There were no adjusted or unadjusted misstatements identified to the primary statements. We did note a number of amendments that were required to the disclosures to ensure greater compliance with the Group Accounting Manual. In addition, we identified significant amendments to the remuneration report.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. This was presented to the Trust's Audit Committee on 24June 2026. Requests for this Audit Findings Report should be directed to the Trust.

Other reporting requirements and use of auditor's powers

Remuneration and Staff Report

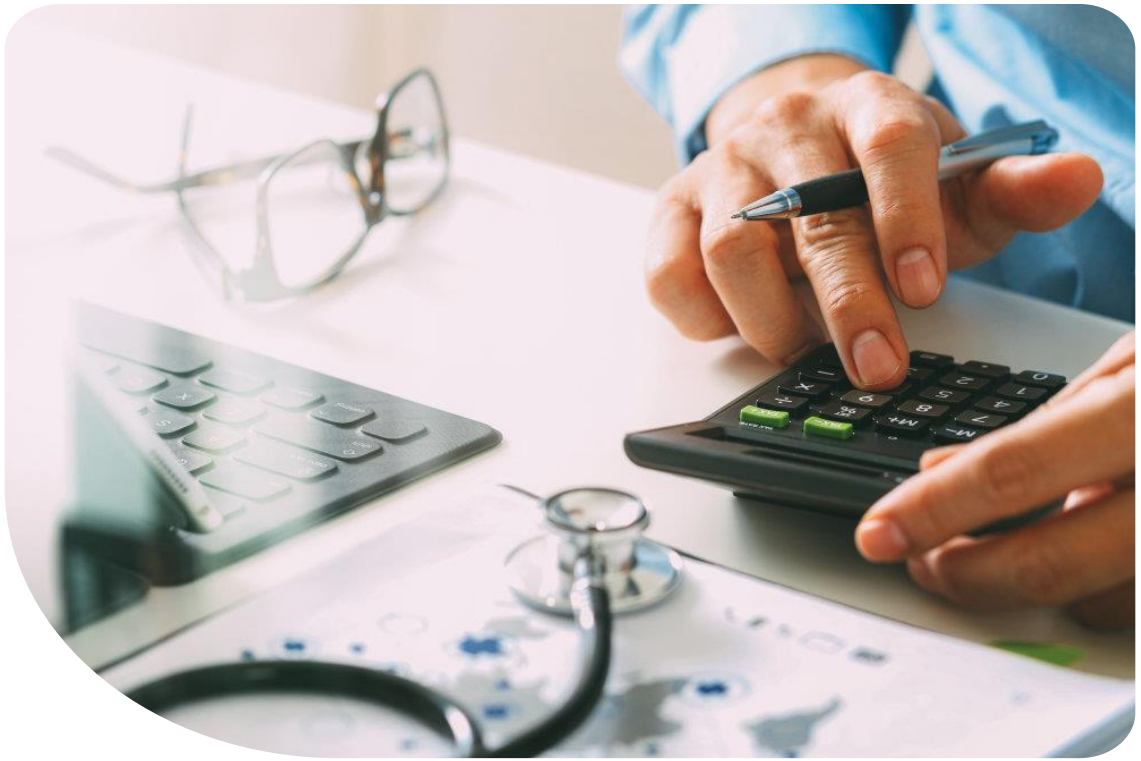
Under the Code of Audit Practice (2024) published by the National Audit Office, we are required to audit specified parts of the Remuneration and Staff Report included in the Trust's Annual Report for 2025/26.

These specified parts of the Remuneration and Staff Report have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2025/26. We identified a number of changes to the draft submitted, which have been amended in the final version.

Annual Governance Statement

Under the Code of Audit Practice (2024) published by the National Audit Office, we are required to consider whether the Annual Governance Statement included in the Trust's Annual Report for 2025/26 does not comply with the guidance issued by NHS England, or is misleading or inconsistent with the information of which we are aware from our audit.

We have nothing to report in this regard.



Use of auditor's powers

We bring the following matters to your attention:

Referrals to the Secretary of State

We issued a section 30 referral to the Secretary of State for Health and Social Care because the Trust had a cumulative deficit as at 31 March 2026 which gave rise to a duty on us to report under section 30(b) of the Local Audit and Accountability Act 2014 in respect of the three year period ending 31 March 2026. We made this referral on 10 June 2026.

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body.

We did not issue any statutory recommendations to the Trust in 2025/26.

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a report in the Public Interest with regard to arrangements at Northampton General Hospital for 2025/26.

04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All NHS Trusts are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. NHS Trusts report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

Financial sustainability

Arrangements for ensuring the Trust can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

Governance

Arrangements for ensuring that the Trust makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, making decisions based on appropriate information.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the Trust delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Trust has established arrangements for medium-term financial planning through its annual planning processes, aligned to NHS England guidance, including the development and submission of a multi-year financial plan. This includes key financial assumptions, efficiency requirements and principal risks, supported by a narrative submission. The Finance, Investment and Performance Committee (FIPC) and Trust Board provide oversight through regular reporting on plan development, efficiency delivery and the underlying financial position. The Trust also undertakes detailed cash flow forecasting and monitoring, reported within monthly finance reports. However, aspects of these arrangements remain underdeveloped, particularly the identification of recurrent solutions to the underlying deficit, the development of fully worked-up efficiency schemes, and a clear, deliverable strategy for financial sustainability. We have raised a significant weakness in relation to the arrangements for delivering a medium-term financial plan with a clear, deliverable trajectory towards financial sustainability (see pages 19 and 20).	R
plans to bridge its funding gaps and identify achievable savings	The Trust sets its Cost Improvement Programme (CIP) through the annual financial planning process and monitors delivery through a defined governance structure with shared executive accountability. CIPs cover both cost savings and productivity improvements while maintaining safe services. The Trust operates under enhanced external oversight following undertakings agreed with NHS England, which place clear expectations on delivery of efficiency savings and compliance with spending controls. Established reporting routes include monthly CIP updates to the FIPC and year-end reporting through the finance report and national returns. The Trust has not yet established a fully developed multi-year pipeline, and scheme development continues to focus largely on annual planning cycles. Data quality and analytical capability also remain developing, which may limit the pace at which savings opportunities are identified. While arrangements are in place to set CIP targets, the scale and pace of delivery required create ongoing risk which has led us to conclude there is a significant weakness (see pages 21 and 22).	R

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The Trust demonstrates a clear understanding of its cost pressures through comprehensive financial reporting, which analyses income, expenditure, workforce movements, temporary staffing and efficiency delivery. Reporting provides transparent narrative on variances and highlights the interactions between operational pressures, funding changes and savings performance. The Trust also takes targeted in-year action to manage costs, including workforce controls and wider non-pay expenditure management. In addition, it uses benchmarking, analytical tools and patient-level costing to identify efficiency opportunities and understand service costs, supported by a consistent system-wide costing approach. However, the Trust's non-compliant financial plan indicates a weakness in its arrangements for planning finances to support the sustainable delivery of services in line with strategic and statutory priorities. On this basis, this significant weakness identified in FS1 also applies to FS3 (see pages 19 and 20)	R
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	The Trust aligns several key strategies, including its Workforce Strategy, Sustainability Plan and Group Clinical Strategy, with its financial plan, ensuring that strategic priorities are reflected in financial planning. However, the Trust does not yet have an Estates Strategy in place (see page 23). This limits its ability to take a structured, long-term approach to capital investment and creates a risk that decisions are made reactively rather than in line with strategic priorities. It also reduces assurance that estate maintenance is managed consistently and safely. The Trust works with system partners to align financial planning assumptions and links its plans to the ICB's planning processes. This supports coordination across the wider system. The Trust has also introduced the Engagement Value Outcome (EVO) programme to identify opportunities to redesign services and patient pathways. This programme aims to support delivery of efficiency targets, although it is still developing.	A

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	The Trust has effective arrangements in place for identifying and managing financial risk. The FIPC and Trust Board receive finance reports regularly which provides detailed updates on the financial position. These reports draw attention to risks identified during the year that may have an impact on the delivery of the financial and capital plans and provides commentary on how these risks are being mitigated. The data within the reports is concise, which allows for risks to be communicated clearly and easily understood. While the arrangements in place are effective, they could be enhanced. It is not evident that the Trust has performed sensitivity analysis or scenario planning on the 2026/27 financial plan, or over the medium term. Undertaking this can highlight how changes in key assumptions could impact financial sustainability into the medium term. This is not considered to be a weakness in arrangements; therefore, we have not raised an improvement recommendation. However, a data insight has been raised for consideration (see page 24).	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability (continued)

Significant weakness identified in relation to medium-term financial planning to achieve financial sustainability

Key finding: The Trust has established arrangements to identify significant financial pressures and reflect them in short- and medium-term plans. However, these arrangements are not yet sufficiently robust to produce a compliant and deliverable medium-term plan.

Evidence: The Trust uses monthly finance reporting to identify and monitor material pressures. These reports analyse in-year variances, track delivery of efficiencies, and include a clear cash section supported by detailed cashflow forecasting. The Trust also uses routine regulatory and statutory returns to support its wider financial reporting and reconciliation processes. Table 1 is an extract from the NHS planning submission which demonstrates the percentages of efficiencies that have been identified as high risk, and the percentages that are unidentified. For 2027/28 and 2028/29 all efficiencies are high-risk as they have not yet been identified.

The Trust reports financial performance and plan development through its governance structure. The Finance, Investment and Performance Committee and the Trust Board receive regular updates on financial performance, efficiency delivery and planning risks. This creates an escalation route for issues and supports ongoing scrutiny.

In line with NHS England 2026/27 planning guidance, medium-term planning was undertaken as part of the annual planning cycle, developing a multi-year plan (three-year revenue and four-year capital), supported by a narrative that sets out planning assumptions, efficiency requirements and key risks.

The Trust also commissioned an independent review to strengthen its understanding of cost drivers and improve controls. Deloitte's January 2025 review made recommendations across workforce controls, non-pay controls, reporting and governance, financial recovery, and CIP governance. The Trust used this work to inform the governance and delivery approach for its enhanced efficiency programme during 2025/26.

Table 1: Key Financial Plan Metrics

	2026/27 £m	2027/28 £m	2028/29 £m
Deficit Plan Limit (excluding DSF*)	19.0	9.5	0
Actual Deficit Plan	57.9	38.3	19.7
DSF* Foregone	19.0	9.5	0
Underlying Deficit	57.9	38.3	19.7
High Risk Efficiencies	67%	100%	100%
Unidentified Efficiencies	11%	100%	100%

* Deficit Support Funding

Financial sustainability (continued)

Significant weakness identified in relation to medium-term financial planning to achieve financial sustainability

Evidence (continued): Despite these arrangements, the Trust has not submitted a compliant 2026/27 plan. The plan relies on a material level of high-risk and unidentified efficiencies, which indicates that the current planning and scheme development processes are not yet mature enough to translate identified pressures into a credible and deliverable medium-term strategy.

Impact: If the Trust does not strengthen these arrangements, it is unlikely to develop a compliant plan that sets out a deliverable route to sustainability. This increases financial risk and limits the level of assurance the Board can take that planned mitigations will address the underlying financial position over the medium term.

Key recommendation 1

KR1: The Trust must strengthen its medium-term financial planning arrangements so that it produces an NHS England-compliant multi-year plan and can demonstrate that it is credible and deliverable.

This must include:

- a clear identification of the structural deficit and the main drivers, with recurrent mitigations linked to quantified assumptions;
- a robust efficiency scheme governance and assurance process that increases the proportion of fully developed schemes and reduces reliance on high-risk, “opportunity” and unidentified savings before plan sign-off; and
- clear Board ownership and oversight, including milestones, triggers for escalation, and routine reporting that links plan assumptions, CIP delivery and in-year actions, with appropriate coordination across the UHN Group with Kettering General Hospital.

Financial sustainability (continued)

Significant weakness identified in relation to developing and delivering cost improvements to achieve financial sustainability

Key finding: We concluded there is a significant weakness in the Trust's arrangements to identify, develop and deliver savings and planned productivity improvements through its Cost Improvement Programme (CIP). The Trust has strengthened in-year delivery support, but it has not yet embedded a sustainable model that consistently produces a mature pipeline of schemes and provides the Board with sufficient assurance over delivery risk, benefits and mitigations. The Undertakings provided to NHS England in September 2025 set out that resources to support transformation and improvement need to be established post NHS England support.

Evidence: The Trust runs its CIP through a programme management office (PMO) and has maintained a central monitoring approach for scheme tracking. During 2025/26, the Trust supplemented its PMO delivery capacity with a team seconded from NHS England, embedded in divisions to support scheme identification and progression through Project Initiation Documents (PID). This additional capacity has supported stronger in-year focus on scheme development and delivery. However, this temporary arrangement does not provide a sustainable internal capability model for future years.

The Trust is clarifying ownership of CIP monitoring. Responsibility for the monitoring tool is transferring into the finance function with an identified leadership post to take over this role. The supporting structure beneath this post is not yet fully established creating a transition risk at a time when delivery grip is critical.

The Trust has introduced divisional roles intended to support delivery of financial targets (operational performance and business leads). Divisions have this year used these roles with limited consistency. Engagement strength varies across the organisation, with some divisions embedding delivery expectations more effectively than others. This variation limits the Trust's ability to rely on consistent divisional delivery arrangements.

The Trust's ability to identify and quantify opportunities is also constrained by limitations in the supporting data. This can reduce teams' ability to quantify savings opportunities and track the benefits delivered, which in turn can hinder effective monitoring and oversight.

The Trust recognises that it needs to improve organisational capability to deliver recurrent savings. The PMO and continuous improvement functions have vacancies that the Trust cannot readily fill due to financial constraints. The Trust is also exploring external delivery partner arrangements for next year. This indicates that the Trust has not yet embedded sufficient internal capacity and capability to maintain delivery without external support.

Financial sustainability (continued)

Significant weakness identified in relation to developing and delivering cost improvements to achieve financial sustainability

Evidence: Overall, the Trust's in-year arrangements support monitoring and delivery activity, but the evidence indicates that pipeline maturity remains a key constraint. A material proportion of future delivery depends on schemes still in development or opportunity stages, and the Trust has not yet demonstrated a repeatable approach to generating, validating and delivering recurrent productivity improvements year-on-year at the scale required.

Impact: If the Trust does not strengthen these arrangements, it increases the risk that savings plans rely on high-risk or insufficiently developed schemes, that internal delivery capability remains constrained, and that in-year slippage is identified too late to enable effective mitigation and Board challenge. This limits the assurance the Board can take over delivery of planned efficiencies and productivity improvements.

Key recommendation 2

The Trust must strengthen its arrangements for identifying and delivering savings and planned productivity improvements through its Cost Improvement Programme (CIP). This must include:

- a rolling, multi-stage pipeline that increases the proportion of fully developed schemes and provides clear delivery timescales before plans are finalised;
- a sustainable PMO operating model that builds the Trust's internal capacity and capability (including defined roles, skills transfer and succession planning) so delivery does not rely on time-limited external support; and
- enhanced in-year performance management that provides timely divisional oversight, clear accountability for delivery, robust benefits realisation tracking, and Board reporting with sufficient scheme-level detail on maturity, risk and corrective actions.

Table 2: Cost Improvement Programme

	Recurrent	Non-recurrent	Total
	£m	£m	£m
2025/26 Plan	21.3	25.8	**47.1**
2025/26 Actual	18.6	17.8	**36.5**
2026/27 Plan	28.3	11.5	**39.8**
2027/28 Plan	43.0	0	**43.0**
2028/29 Plan	40.4	0	**40.4**

Financial sustainability (continued)

Area for Improvement: Estates Strategy

Findings: The Trust does not yet have a clear, Group-aligned strategic estates strategy. Developing this will require alignment with other strategies and need to provide a prioritised, affordable capital and backlog programme for the Trust's estate reflecting future clinical direction.

Evidence: The Trust is aware of the need to develop an Estates Strategy, but this has breached the revised target date.

The Trust's estate context is inherently complex within the group context:

- one Victorian site, with associated maintenance and infrastructure constraints that require deliberate long-term planning.
- one Kettering site, with mainly 1970s buildings, constrained car parking and capacity, most notably UEC which impacts patient flow.
- three University Hospitals of Leicester NHS Trust sites requiring rationalisation to support structural deficit issues.

The new Group Clinical Strategy (to drive better clinical distribution and work towards financial balance) is a necessary consideration. Careful development will be required to support the Trust's wider ambitions.

Impact: A lack of Estates Strategy results in reactive capital spend rather than strategic investment towards clinical priorities and service models. This can impact site safety, resilience and service disruption.

Improvement Recommendation 1

IR1: The Trust should, within 12 months, implement a Group-aligned estates framework and roadmap to support prioritised, affordable capital investment decisions, underpinned by clear governance, a robust estate baseline, and consistent prioritisation criteria.

Grant Thornton insight

Strengthening NHS Estate Management

At Trusts with more advanced estates planning, we see a clear link from clinical strategy to a prioritised capital programme, supported by strong governance and regular executive oversight. When estates responsibilities are distributed across organisations or sites, risks arise when dependencies are not clearly defined or decision-making is fragmented. A lack of a shared framework can make it difficult to prioritise investment, manage estate risks, and align plans to financial recovery.

A single, consistent view of estate condition, risk and utilisation should underpin transparent prioritisation criteria to inform capital allocation, alongside phased roadmaps linking backlog reduction, enabling works and strategic schemes.

Governance is strengthened through dedicated estates or capital forums with clear escalation to Executive and Board, supported by regular reporting on risks, delivery progress, and alignment to strategic objectives to enable informed, timely decision-making.

Grant Thornton insights – learning from others

The Trust has the arrangements we would expect to see in respect of identifying financial risk, but could challenge itself to go further based on the best arrangements we see across the sector

What the Trust is already doing

- Financial risks are captured within the finance reports to the Finance, Investment and Performance Committee, and Trust Board. Risks and clearly communicated and the potential impact on the delivery of the financial plan is quantified.
- To address financial risks, the Trust develops mitigating actions that are clearly articulated within the finance reports. The impact of these actions are assessed in subsequent reports.

What others do well

- Scenario planning is utilised by modelling best-case, worst-case, and most likely scenarios. The potential upsides and downsides are then included within the financial plan submissions to NHS England.
- Sensitivity analysis is utilised to assess how changes in key assumptions can impact financial sustainability. This includes, funding levels, service demand, workforce availability, and inflationary pressures.

The Trust could consider

- Adopting a more proactive approach to the identification of financial risk by incorporating scenario planning and sensitivity analysis into the budget setting process. By doing this, the Trust would become better equipped at managing risks into the medium term.

Governance – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
monitors and assesses risk and how the Trust gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	Overall, the Trust Group has sound arrangements for governance, risk management and internal control, supported by clear structures, regular reporting and committee oversight. Strategic risk is managed through a quarterly BAF, reviewed by Board and relevant committees, with risks clearly owned, linked to strategic priorities, risk appetite, and supported by documented controls, assurance sources, gaps and time-bound mitigations. This is reinforced by an underpinning Risk Management Strategy that defines responsibilities across the organisation and operates a "ward to Board" escalation approach through aligned risk registers and committee scrutiny. Assurance is further strengthened through a structured internal audit cycle, with a risk-informed plan, regular in-year reporting to Audit Committee on delivery and findings, and year-end Head of Internal Audit Opinion feeding into the Annual Governance Statement. Internal Audit days are below average for a Trust of this size, potentially limiting the depth of review, follow-up assurance, and insight into systemic issues, particularly given the complexity of the operating environment. The counter fraud framework also provides additional assurance through an approved policy, strategy and quarterly reporting. The Freedom to Speak Up service has been outsourced in year with the Board receiving a FTSU Annual Report, quarterly updates, and escalations from the People Committee alongside other People insights.	G
approaches and carries out its annual budget setting process	The Trust has adequate arrangements for financial planning and strengthened these in-year by moving from annual budgeting to a medium-term planning approach aligned to the NHSE Integrated Planning Framework. Planning assumptions, requirements and expectations were set out through detailed reports considered by the Finance, Investment and Performance Committee and Private Board, supporting strong governance and transparency. While financial pressures meant the Trust submitted a non-compliant plan (with deficits in years 2 and 3), the Board was kept clearly informed of the consequences, including Deficit Support Funding implications. Further detail on the financial pressures resulting in a non-compliant plan is provided on page 18 in the financial sustainability section.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	The Trust monitors its finances through regular checks at two levels. The Finance, Investment and Performance Committee meets every month and reviews a detailed report from the Chief Finance Officer. This report explains how the Trust is performing against its budget, why any gaps have happened, and what actions the Trust is taking to address them. The committee also reviews separate, more detailed updates on efficiency savings, including which savings schemes are high risk and where there may be a remaining gap. The Board reviews finance at each meeting through the Integrated Performance Report, which summarises the Trust's overall financial position (such as the expected surplus/deficit, cash position, productivity and delivery of savings) alongside other performance information. This helps the Board see financial performance in the context of wider operational delivery. The draft financial statements were submitted in line with national timescales, however the working papers to support these were not available at the start of the audit. The trust have found it difficult to catch up from this position during the audit and as a result the audit has had to extend beyond the initial timescales agreed. At the time of drafting this report, we anticipate being able to conclude the audit by the national deadline. We have raised an improvement recommendation in this area (see page 28).	A

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Trust:	Commentary on arrangements	Rating
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	We found effective arrangements to support informed decision making and oversight across the UHN group. Board papers are clear, structured and sufficiently detailed, with cover sheets setting out purpose, implications and links to group priorities. We also found that Board meetings were quorate and supported by a broad mix of executive and non-executive members, providing an appropriate basis for scrutiny and challenge. The Board is supported by a committee structure that provides regular exception-based reporting and escalation of significant issues. Upward reporting from key committees, alongside integrated performance reporting, gives visibility of areas requiring attention, including where assurance is limited. The shared Audit Committee has a clear remit, regular meetings and evidence of constructive challenge. The Trust has recognised culture as an important area for continued focus and has refreshed its improvement approach in response to staff survey results. Additional work has been undertaken to consider the effectiveness of the UHN collaboration with University Hospitals of Leicester NHS Trust (see pages 29-31).	A
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	The Trust has strengthened its governance and assurance arrangements in several areas. It operates a Fit and Proper Persons process, with annual reporting to the Board confirming compliance, although earlier reviews identified gaps in documentation and accessibility of supporting evidence. The Trust has since improved oversight by standardising records, introducing clearer procedures, and commissioning regular internal audit review to provide ongoing assurance. The Trust maintains policies to support transparency and integrity, including arrangements for managing conflicts of interest and reporting gifts and hospitality, with registers published publicly. It has also improved procurement transparency, with more consistent reporting of waivers to the Audit Committee and a reduction in their use compared to the prior year. The Trust has updated its financial governance framework and aligned key policies with current legislation, An insight has been raised to support the Trust in managing procurement activity in line with legislative requirements (see page 38).	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

Area for Improvement: Financial Statements

Findings: As identified within our commentary on the financial statements, we noted that working papers were not available at the start of the audit to support the balances in the accounts.

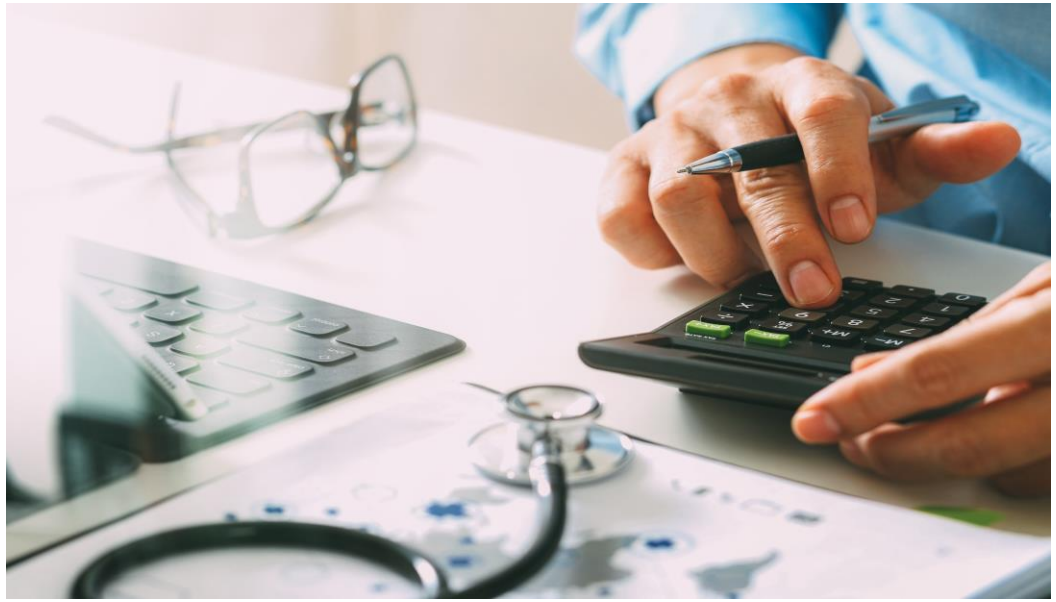
Evidence: The Trust has experienced a year of instability within the finance team, with a number of changes in key posts. This led to a number of delays with the provision of information for both the audit planning and the agreed interim audit. This was reported to the Audit Committee in April. The finance team were confident that resourcing had stabilised, and sufficient arrangements were in place for the final audit.

Working papers to support the submitted draft accounts were not available at the start of the audit, in line with the agreed timeline. Audit working papers were then provided on a prioritised basis to enable audit work to progress. This has led to delays in the audit, particularly in relation to responses to queries raised, as the finance team have been trying to catch up on the production of working papers as well as respond to questions for the audit team on the evidence provided.

Impact: The delays has resulted in additional time being spent on the audit, and the original timeline has slipped beyond what was agreed. At present every effort is being made to ensure sufficient work can be completed before the national deadline. The audit team will re-visit this recommendation on completion of the financial statement audit.

Improvement Recommendation 2

IR2: The Trust should carry out a review of the process for producing the financial statements and the associated working papers, to ensure they can be provided for the start of the audit.



Governance – commentary on arrangements (continued)

Northampton General NHS Trust and Kettering General NHS Foundation Trust have continued to make meaningful progress in strengthening the UHN collaboration during 2025/26.

UHN Collaboration and Governance Arrangements

Our work consistently identified joint working as becoming the default way of operating, supported by the common Board, common NED membership, joint clinical divisions and the bringing together of almost all corporate functions on a UHN basis. The NED reset was seen as positive as it ensured people wanted to be part of the future journey. Executives and NEDs interviewed described this as a significant step forward in moving the organisations towards a more consistent way of working.

Governance arrangements have continued to evolve. Our review has identified improvements in risk management and Board assurance, including a refreshed approach to the BAF and more joined-up strategic discussion at UHN Board meetings.

Interviewees regarded the new Integrated Performance Report (IPR) as a major improvement and a stronger basis for oversight, but noted that elements remain partly manual, reporting is not always timely, and divisional reporting is less mature.

At service level, we have been informed that there is increased alignment, particularly around fragile services where clinicians are now working more closely.

Arrangements Are Still Bedding In

Despite this progress, the current UHN operating model remains relatively new and is still embedding. Many of the more significant structural changes only became established during 2025/26. Clinical divisions were only fully settled from autumn 2025 following recruitment and reappointments, while some corporate arrangements are newer still.

Realising benefits

Last year we reported that “There was limited documentation of the initial benefits to be realised with no detail on measurable patient outcomes and staff experience... documentation of intended benefits remains mixed, with some gains quantified and others not yet systematically measured.”

There is evidence in 2025/26 of a more disciplined approach to business case development and benefits tracking at UHN, with scrutiny from strategy, finance and transformation leads.

Overall, arrangements are stronger than before, but not yet fully embedded or consistently evidenced.

Governance – commentary on arrangements (continued)

There is broad recognition that closer working with UHL should bring strategic benefits, particularly in specialist services, digital development, clinical planning and service configuration across a wider footprint.

Developing Collaboration with UHL

There was a consistent view from all staff spoken with that further work was required to test, refine and stabilise the UHN model as the Trust moves into the next phase of collaboration with University Hospitals of Leicester NHS Trust (UHL). The Trusts are clear that they cannot move towards financial sustainability without significant change. The pressure from the financial gap continues to shape the pace and direction of organisational change. The Trust is starting to strengthen the collaboration with UHL beyond shared Board member posts and in Autumn 2025 released a Joint Clinical Strategy. We also understand that the Integrated Performance Report (IPR) will be refreshed and released in Autumn 2026, combining data from UHN and UHL.

Closer working with UHL aims to bring strategic benefits, particularly in specialist services, digital development and clinical planning. Views were mixed on the timing and practical implications of this next phase.

Some interviewees saw it as a logical progression, while others recognised a risk that the UHL agenda has introduced uncertainty for some staff and leaders at a time when UHN itself is still bedding in. Concerns raised included lack of clarity for staff on the case for change, the risk of leadership attention being diluted, and the challenge of progressing broader collaboration while immediate priorities around operational improvement and financial recovery remain unresolved.

Joint Board meetings since April 2026 have many attendees and due to delivery pressures and financial challenges have an operational focus which will require further Committee development to address.

Capacity and Financial Recovery Remain Key Constraints

The Trusts are responding to a very significant financial challenge. The underlying deficit is substantial for Trusts of this size and NHS England remains focused on financial delivery.

Although financial grip has improved, current arrangements still rely in part on temporary external support, particularly in relation to CIP delivery and PMO capacity. The recruitment freeze imposed is understood but doesn't allow the Trust to build capacity to ease reliance upon costly external support and in the medium term become self-sufficient.

There was a consistent message that divisional and central teams remain stretched by the financial challenge, workforce and service pressures, data limitations, and the need to embed new UHN arrangements, leaving limited capacity for further transformation.

Governance – commentary on arrangements (continued)

UHN has made clear progress in strengthening collaboration, governance and shared leadership, and the partnership is now operating more cohesively than in previous years.

Conclusion

This collaboration developed initially from the bottom up, with services coming together to protect fragile provision and improve patient care. However, significant elements of the model remain relatively immature, with key arrangements still embedding and the intended benefits not yet consistently evidenced.

Looking ahead

The developing collaboration with UHL is different in character, being driven more from the top down through leadership and governance arrangements. While this may offer strategic opportunities, it also brings execution risk. The critical issue for the Trusts will be to ensure that the pace and sequencing of any further change are matched by clear governance, sufficient organisational capacity and continued focus on embedding UHN arrangements, so that progress on operational performance and financial sustainability is not undermined.

A clear and consistent vision for staff will be important to the success of any further collaboration. Interview evidence suggests that the rationale, benefits and intended operating model are not yet consistently understood beyond senior levels. Governance, sequencing and communication will therefore need to support stability and delivery across UHN, particularly given the scale of organisational change staff have already experienced in recent years. Retaining the experience, commitment and goodwill of staff across all Trusts will be essential if patients and service users are to benefit fully from this collaboration.

Improvement Recommendation 3

IR3: The Trust should ensure that any further collaboration across UHN and with UHL is clearly sequenced, governed and communicated to the wider organisations, with defined benefits, delivery milestones and sufficient organisational capacity, so that progress in embedding current arrangements and improving operational and financial performance is not weakened.

Grant Thornton insights – notable practice

The Trust has improved their risk management arrangements through revising the format of their Board Assurance Framework (BAF), which provides a platform for further developments in the future.

What the Trust is doing well

- A comprehensive review of the BAF was undertaken to identify how to provide greater assurance and clarity around the management of strategic risks.
- The Trust learned from the work of others including University College London Hospitals NHS Trust and University Hospitals of Leicester NHS Trust to identify best practice, and to help inform the format of the revised BAF.
- Internal Audit provided a reasonable assurance opinion on the new BAF, highlighting the robustness of the new BAF format. The recommendations raised were implemented timely.

What is the impact?

- The BAF is now a more robust and more thoroughly scrutinised strategic tool.
- Details around controls and assurance, planned mitigating actions and oversight arrangements have been clarified and confirmed to be up-to-date.
- Links between each risk and the new Group Strategic Priorities and Key Deliverables have also been established to ensure stronger alignment with the delivery of strategic objectives.

The Trust could consider

- Adopting areas of further development highlighted by the BAF review to further strengthen the BAF and risk management arrangements. This includes identifying how operational risks inform strategic risks in relation to the shift from 'ward to Board' and detailing how target risk levels compare with the agreed overall risk appetite.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	The Trust Board received an Integrated Performance Report (IPR) at each meeting in 2025/26, which provided oversight of KPIs across several domains aligned with CQC performance reporting: caring, safe, effective, responsive, well-led and use of resources. Over 2025/26, the UHN Group has taken an active approach to strengthen and develop its IPR after being selected as an incubator site for the development of a national product in the Federated Data Platform (FDP). Additionally, the Group is now progressing towards development of a joint IPR with UHL by September 2026, following the inaugural Boards in common meeting in April 2026. This is a positive development, and we will reassess the joint IPR in our work in 2026/27. The Trust has established strong data quality and benchmarking arrangements. There are continued challenges relating to urgent and emergency care (UEC) in light of the Trust's revised enforcement undertakings and continued Section 29A Notice, this is covered in further detail in the next section where a recommendation has been raised.	G
evaluates the services it provides to assess performance and identify areas for improvement	The Trust has established clear governance structures and demonstrates a strong ability to respond to external regulatory findings, with timely action planning, effective divisional delivery, and regular reporting to the Board. Evidence shows that the Trust implemented and tracked actions arising from the Section 29A warning notice in UEC, with significant progress achieved and improvements validated through follow-up inspection and improved operational metrics, including ambulance handover performance. The Board maintains oversight through routine reporting, including the IPR, and business-as-usual monitoring arrangements are now in place to support continued assurance of performance and patient safety. The Trust has reviewed its UEC workforce arrangements to assess alignment with service demand. The current workforce model is not fully sustainable and does not consistently align workforce capacity with service demand. The refresh of NHS England undertakings relating to UEC performance indicates that improvements have not yet been fully embedded to deliver sustained impact. See pages 36 and 37.	A

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	The Trust places a clear emphasis on partnership and group working, evidenced through its formal partnership collaborative with Kettering General Hospital NHS Foundation Trust to form a shared University Hospitals of Northamptonshire NHS Group (UHN) which has been active since 2021. The Group centres its strategic vision around collaborative work to achieve excellence in clinical services, with this vision underpinned by shared Group priorities and ten key deliverables identified for 2025/26, which includes further integration and development of collaboration to improve productivity. Strong engagement with relevant stakeholders and service users can also be identified, with the Trust having undertaken extensive consultation across the Group to co-develop its 'We Belong' Strategy, agreed by Board in November 2025. The Strategy was supported by multiple streams of collaboration to gain meaningful insight through a variety of engagement channels, with a dedicated stakeholder task group formed to analyse identified themes. The Trust has also further strengthened and developed key collaborations with other partners, like the University Hospitals of Leicester NHS Trust (UHL). The Group and the Trust first formed a UHN and UHL Group in 2023 and has continued to review joint strategic priorities which are reported back to Board. A UHN and UHL Group Clinical strategy was agreed in September 2025, with alignment to the NHS 10-Year Health Plan, following intensive engagement with colleagues, system partners and representatives. Throughout 2025/26, the UHN and UHL Group have continued to explore opportunities to strengthen and deepen collaboration to generate benefits for patients, employees and key stakeholders. The UHN and UHL Group began operating joint Boards in Common in April 2026, with Committees in Common planned for phasing in the future - the Trust should continue to place a focus on refining and embedding group arrangements moving forward. This will continue to be reviewed as part of our work in 2026/27. For more detail on this arrangement see the Governance section (pages 29-31).	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Trust:	Commentary on arrangements	Rating
commissions or procures services, assessing whether it is realising the expected benefits	The Trust has established a number of arrangements to support procurement and contract management, though these remain at varying levels of maturity. A Procurement Strategy is in place and continues to guide activity, although it has not yet been updated to reflect the 2023 Procurement Act. Progress against the strategy is monitored through defined milestones, but delivery has been mixed, with some key developments not yet achieved. The Trust has implemented Atamis as a centralised, group-wide contract management system. This creates a single contract repository and includes a tiering approach to prioritisation, aligned with good practice. A supporting benefits realisation framework is also in place, incorporating KPIs and post-implementation reviews, with plans to extend this across wider programmes. Actions have been taken to strengthen procurement controls in response to external recommendations, with oversight provided through Board and committee structures, including scrutiny of business cases and associated risks. Collaborative procurement is a key feature of the Trust's approach, with partnerships and networks used to identify efficiencies, share best practice and support value-based procurement. These arrangements have strengthened over the year. Overall, while there is a structured framework in place, some elements remain under development, particularly in relation to full strategy delivery and embedded contract management practices. We raise insight on page 38.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness (continued)

Area for Improvement: Managing Care Quality Commission (CQC) improvement actions

Findings: The Trust has established processes to manage CQC actions and demonstrates a strong ability to respond to regulatory concerns; however, governance arrangements are not yet fully embedded or consistently effective in ensuring timely oversight, escalation, and assurance of sustained improvement.

Evidence: The Trust implemented structured action plans in response to regulatory findings, including the Section 29A warning notice for urgent and emergency care (UEC), with clear accountability and regular reporting to the Board. Progress updates show that most actions were completed within expected timeframes, and follow-up inspection confirmed improvements, supported by better operational performance such as ambulance handover times. Ongoing monitoring is now in place through established forums and routine reporting mechanisms.

In year, Internal Audit provided limited assurance over the Trust's processes for managing CQC actions, identifying weaknesses in the tracking, escalation, and timely closure of actions. While this work reviewed a specific action plan, the findings point to underlying control and governance issues that are applicable across the Trust's approach to action management more broadly.

The requirement for refreshed NHS England undertakings in relation to UEC performance indicates that improvements in this area have not yet been fully embedded or sustained.

Impact: These weaknesses reduce the Trust's ability to demonstrate sustained compliance and limit Board assurance over the effectiveness of improvement actions, increasing the risk of recurring issues and continued regulatory scrutiny.

Improvement Recommendation 4

IR4: The Trust should strengthen and fully embed its governance arrangements for managing CQC actions, ensuring consistent and timely oversight that:

- clearly identifies and escalates overdue actions,
- provides robust assurance that completed actions are delivering the intended outcomes, and
- enables the early identification and response to any deterioration in performance to support sustained compliance with regulatory requirements.

Improving economy, efficiency and effectiveness (continued)

Area for Improvement: Safer staffing in the Emergency Department

Findings: The Trust's current emergency department (ED) workforce model is not fully sustainable and does not consistently align workforce capacity with service demand, creating risks to performance, patient safety, and long-term resilience.

Evidence: An independent review of the ED workforce identified structural weaknesses in the existing model, including insufficient substantive medical staffing to meet activity levels and national performance expectations. The review highlighted a heavy reliance on temporary and bank staff, alongside staff working beyond contracted hours to maintain service delivery.

While consultant roles and job plans were broadly consistent, gaps remained within the junior medical workforce tier and overall workforce configuration. These challenges contribute to operational pressures within UEC services, which have already been subject to regulatory action relating to flow, safety, and patient experience.

The review concluded that the current model is unsustainable and recommended a revised medical staffing approach, including strengthening clinical leadership, expanding the consultant workforce, and improving control of temporary staffing usage.

Impact: Without implementing a sustainable medical workforce model, the Trust risks continued operational instability in ED services, limiting its ability to maintain performance improvements, respond to rising demand, and ensure safe, high-quality care. Ongoing reliance on temporary staffing increases financial pressure and reduces continuity of care, undermining long-term service resilience and the Trust's ability to achieve sustained regulatory compliance.

Improvement Recommendation 5

IR5: The Trust should implement a sustainable and clinically appropriate emergency department medical workforce model by addressing the weaknesses identified in the independent review, including reducing reliance on temporary staffing, strengthening clinical leadership, and aligning workforce capacity with service demand to improve operational performance, patient safety, and long-term service resilience.

Grant Thornton insights – learning from others

The Trust has the arrangements we would expect for procurement and compliance with the Provider Selection Regime (PSR). It could, however, go further by drawing on emerging best practice across the sector.

What the Trust is already doing

- Bringing together a Group procurement function through its Procurement Strategy 2023-2028.
- Alignment of Standing Financial Instructions with Procurement Act 2023 requirements.
- Ensures that procurement team members receive detailed training for procurement and contract management.
- Progress towards integration with UHL, with development towards a new contract management framework.

What the Trust could do to avoid legal challenge

- Aligning the Procurement Strategy 2023-2028 with Procurement Act 2023 requirements with some urgency.
- Strengthening staff capability by aligning training across the procurement lifecycle, ensuring that all individuals involved are adequately equipped with the knowledge and skills required to consistently apply Public Sector Regulations (PSR) requirements.

The Trust could consider

- Lessons learnt for future tenders to be awarded under the PSR framework.
- Review current tenders that were made using the PSR framework.

05 Summary of Value for Money Recommendations raised in 2025/26

Key recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
KR1	The Trust must strengthen its medium-term financial planning arrangements so that it produces an NHS England-compliant multi-year plan and can demonstrate that it is credible and deliverable. This must include: • a clear identification of the structural deficit and the main drivers, with recurrent mitigations linked to quantified assumptions; • a robust efficiency scheme governance and assurance process that increases the proportion of fully developed schemes and reduces reliance on high-risk, "opportunity" and unidentified savings before plan sign-off; and • clear Board ownership and oversight, including milestones, triggers for escalation, and routine reporting that links plan assumptions, CIP delivery and in-year actions, with appropriate coordination across the UHN Group with Kettering General Hospital.	Financial sustainability (page 19-20)	Actions: • Continue the current work with NHSE to develop the financial plan • Work with the delivery partner to develop a multi-year CIP programme Responsible Officer: Chief Finance Officer Executive Lead: Chief Finance Officer Due Date: Ongoing

Key recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
KR2	The Trust must strengthen its arrangements for identifying and delivering savings and planned productivity improvements through its Cost Improvement Programme (CIP). This must include: • a rolling, multi-stage pipeline that increases the proportion of fully developed schemes and provides clear delivery timescales before plans are finalised; • a sustainable PMO operating model that builds the Trust's internal capacity and capability (including defined roles, skills transfer and succession planning) so delivery does not rely on time-limited external support; and • enhanced in-year performance management that provides timely divisional oversight, clear accountability for delivery, robust benefits realisation tracking, and Board reporting with sufficient scheme-level detail on maturity, risk and corrective actions.	Financial sustainability (page 21-22)	Actions: • Work with the delivery partner to develop a multi-year CIP programme • Assess the resourcing requirements for a sustainable PMO and identify a funding source Responsible Officer: Chief Finance Officer Executive Lead: Chief Finance Officer Due Date: Ongoing

Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR1	The Trust should, within 12 months, implement a Group-aligned estates framework and roadmap to support prioritised, affordable capital investment decisions, underpinned by clear governance, a robust estate baseline, and consistent prioritisation criteria.	Financial sustainability (page 23)	Actions: Develop the estates framework as suggested. Responsible Officer: Director of Strategy Executive Lead: Director of Strategy Due Date: 30 June 2027
IR2	The Trust should carry out a review of the process for producing the financial statements and the associated working papers, to ensure they can be provided for the start of the audit.	Governance (page 28)	Actions: Agreed as recommended. Responsible Officer: Deputy Chief Finance Officer Executive Lead: Chief Finance Officers Due Date:30th September Audit Committee

Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR3	The Trust should ensure that any further collaboration across UHN and with UHL is clearly sequenced, governed and communicated to the wider organisations, with defined benefits, delivery milestones and sufficient organisational capacity, so that progress in embedding current arrangements and improving operational and financial performance is not weakened.	Governance (page 29-31)	Actions: Any further collaboration to be governed through ILT, Committees and Board, with the recommendation being taken into account for detail to be provided. Responsible Officer: Accountable Officer Executive Lead: Accountable Officer Due Date: Ongoing

Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR4	The Trust should strengthen and fully embed its governance arrangements for managing CQC actions, ensuring consistent and timely oversight that: • clearly identifies and escalates overdue actions, • provides robust assurance that completed actions are delivering the intended outcomes, and • enables the early identification and response to any deterioration in performance to support sustained compliance with regulatory requirements.	Improving economy, efficiency and effectiveness (page 36)	Actions: Agreed as recommended. Responsible Officer: Group Chief Nurse Executive Lead: Group Chief Nurse Due Date: 2026/27.

Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR5	The Trust should implement a sustainable and clinically appropriate emergency department medical workforce model by addressing the weaknesses identified in the independent review, including reducing reliance on temporary staffing, strengthening clinical leadership, and aligning workforce capacity with service demand to improve operational performance, patient safety, and long-term service resilience.	Improving economy, efficiency and effectiveness (page 37)	Actions: • Business case to be approved for a change in medical staffing • Implementation of the business case Responsible Officer: Divisional Medial Director Executive Lead: Chief Medical Officer Due Date: Business case already approved, implementation to follow across Q2 2026/27.

06 Follow up of previous Key recommendations

Follow up of 2024/25 Key recommendations

This slide summarises progress against previous Key recommendations we have raised. Progress with prior year improvement recommendations is summarised in Appendix C.

	Prior Recommendation	Raised	Progress	Current status	Further action
KR1	As set out in the Trust's undertakings, there should be a specific focus on delivering planned productivity improvements and efficiency savings. The Trust's efficiency programme therefore needs to be: • underpinned by robust planned savings schemes, with a clear pipeline of delivery within recorded timescales. • multi-year detailed plans for saving schemes that reflects efficiency savings for service redesign and establishment reviews, as a continual project management process, that feeds into the Trust's medium-term financial plan. • reported with enhanced detail to the Board, given its critical part in meeting the Trust's financial target.	2024/25	Target CIP in 2025/26 was £47.1m (8% of expenditure) which was an ambitious target. £36.4m (6%) was delivered which was good progress against a prior year delivery of £22.8m. The target for 2026/27 is £39.8m which appears more realistic. However, whilst performance is indicating a positive trajectory, arrangements to deliver this have been enhanced by NHS England funded support. The 2025/26 contract is ending, and the Trust is being supported by NHS England to retender for another year of support. This process has (at the time of our report) not yet concluded. This annual support is not building internal capacity for the Trust to develop embedded and sustained improvement in its efficiency delivery. More work required to understand the position.	In progress / partially implemented	Re-raised and updated as part of Key Recommendation 2

Follow up of 2024/25 Key recommendations (continued)

This slide summarises progress against previous Key recommendations we have raised. Progress with prior year improvement recommendations is summarised in Appendix C.

	Prior Recommendation	Raised	Progress	Current status	Further action
KR2	The Trust should ensure its quality assurance processes regularly assure the Board that completed regulatory improvements are achieving the required impact and are embedded and sustained across services. Lessons from the recent Section 29A warning notice should be shared across services to prevent similar future issues.	2024/25	The Trust responded quickly and improved performance, but stronger governance and follow-up is required to ensure changes are fully embedded and sustained, but needs stronger governance and follow-through to ensure changes are fully embedded and sustained.	In progress / partially implemented	Key recommendation closed and an improvement recommendation raised – see IR4

07 Appendices

Appendix A: Responsibilities of the NHS Trust

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Trust's directors are responsible preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are required to comply with the Department of Health & Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. An organisation prepares accounts as a 'going concern' when it can reasonably expect to continue to function for the foreseeable future, usually regarded as at least the next 12 months.

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Trust's Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning we assess our knowledge of the Trust's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

A range of different recommendations can be raised by the Trust's auditors as follows:

Statutory recommendations – recommendations to the Trust under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Trust where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Trust's arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Board
Interviews and discussions with key officers	NHS Oversight Framework (NOF) rating
Progress with implementing recommendations	Care Quality Commission (CQC) reporting
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

Appendix C: Follow up of 2024/25 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	The Trust should report their MTFP to the Board in summer 2025, once developed in line with NHS England timescales. It should: • align with other strategies which require updating clearly setting out funding allocations, any implications from patient pathway redesign, and saving requirements • align with system partners to deliver system balance • identification of the structural deficit and what is driving it • financial planning uncertainties and key financial risks The MTFP should drive a strategy for how financial pressures will be mitigated rather than just identifying the financial planning gap and build upon the collaborative working with Kettering General Hospital NHS Foundation Trust to support wider efficiencies.	2024/25	During 2025/26, the requirement to submit a three-year financial plan as part of the 2026/27 NHS England planning guidance has, in part, superseded the original recommendation to develop a standalone MTFP. The Trust developed and submitted a multi-year financial plan covering the medium term, including underlying assumptions, efficiency requirements and financial risks, with regular updates reported to the Board and its committees. This approach has strengthened the integration of medium-term planning within the annual planning cycle. However, the submitted plan is not compliant with NHS England expectations and does not yet provide a credible route to financial sustainability, with a significant underlying deficit, a high proportion of unidentified or high-risk savings, and limited evidence of a fully deliverable strategy to mitigate financial pressures over the medium term.	In progress / partially implemented	Escalated as part of Key Recommendation 1

Appendix C: Follow up of 2024/25 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR2	The Trust should review the capacity and capability of the PMO team through an 'invest to save' lens prioritising the recruitment and retention of skilled PMO professionals with a view to accelerating the delivery of high impact, recurrent savings across clinical divisions, and driving an increase in the delivery of UHN wide and system wide savings.	2024/25	Whilst CIP performance is indicating a positive trajectory, arrangements to deliver this have been enhanced by NHS England funded support. The 2025/26 contract is ending, and the Trust is being supported by NHS England to retender for another year of support. This process has not yet concluded. (reference Becky Taylor interview). This annual support is not building internal capacity for the Trust to develop embedded and sustained improvement in its efficiency delivery. More work required to understand the position.	In progress / partially implemented	Escalated as part of Key Recommendation 2
IR3	As part of the collaborative working arrangements, continued focus on leadership stability, data infrastructure, and delivering the workforce strategy will be critical to sustaining and accelerating this progress and should be prioritised at pace.	2024/25	The Trust has continued to develop joint working across UHN, with further progress in governance, clinical engagement and more consistent ways of working across the two organisations. Key collaborative arrangements are now in place, although some remain relatively new and are still embedding. Any further collaboration across the wider group will need clear governance, clear communication and careful sequencing to support delivery and maintain organisational focus.	In progress / partially implemented	A revised improvement recommendation has been raised – See IR3