

Northampton General Hospital NHS Trust

Auditor's Annual Report
Year ending 31 March 2025

27 June 2025



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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.

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01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for Northampton General Hospital NHS Trust (the Trust) during 2024/25 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 2025 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 2024/25, 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

The NHS has remained under significant pressure in 2024/25.

National



Past

Long-Term Underinvestment

Lord Darzi’s independent report highlighted that the NHS has suffered from prolonged revenue and capital funding underinvestment, negatively impacting quality, productivity, and workforce sustainability.



Workforce Challenges and Costs

The NHS has struggled to have the right staff in the right places, relying heavily on bank and agency workers, driving up costs and compounding inflationary financial pressures.

Local

Present



Public Health System Complexity

Public health is shared by local government and the NHS, requiring system-wide collaboration, but integration remains challenging.



Seasonal Pressures

Winter 2024/25 saw a 'quad-demic' of viruses strain A&E services, causing long waits, worse illnesses, and disrupted elective care, impacting the ability to deliver operational plans.

Future



Structural uncertainty

The planned abolition of NHS England, uncertainty over longer-term funding arrangements and structural re-organisation affects systems’ ability to plan for the long term.



Digital Transformation and Productivity

The government has signaled a major shift from "analogue to digital" that is crucial to improving NHS productivity, but implementation remains complex and resource-intensive.

The Trust delivers acute health and some community services to the residents of Northampton and the surrounding areas. The Trust works in collaboration with Kettering General NHS Foundation Trust which they refer to as the UHN Group. Their management structure has shared roles at both an Executive and Non-Executive level and they have established Committees-in-Common. They have more recently established further group arrangements with University Hospitals of Leicester NHS Trust now sharing the same Chief Executive, Chair, Chief Nurse and Chief Digital and Information Officer. The Northamptonshire system has a challenging financial position with an underlying deficit, of which the Trust holds around £71m. Key challenges remain around developing a medium-term financial plan, and more recently the Trust has received a Section29A warning notice around arrangements for Urgent and Emergency Care (UEC).

It is within this context that we set out our commentary on the Trust’s value for money arrangements in 2024/25.

02 Executive Summary

Executive summary – our assessment of value for money arrangements

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

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	R Significant weakness in arrangements identified in relation to the efficiency programme and an improvement recommendation also raised.	One risk of significant weakness identified in relation to efficiency savings.	R Significant weaknesses in arrangements for delivering savings and complying with the ability to meet the Trust's statutory duties were identified and a key recommendation made relating to the issues. We also raise two improvement recommendations.
Governance	A No significant weaknesses identified; improvement recommendations raised in relation to the BAF, policies and assurance over mortality.	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but one improvement recommendation made to support the Trust in improving arrangements for working collaboratively with Kettering General Hospital NHS Foundation Trust.
Improving economy, efficiency and effectiveness	A No significant weaknesses identified; improvement recommendations raised in relation to data quality, benchmarking, integrated governance report and CQC.	No risks of significant weakness identified.	R A significant weakness in arrangements for responding to Urgent & Emergency Care department demand and the associated risks to patient safety as confirmed by the recent CQC warning notice issued in March 2025, resulting in a key recommendation.

- 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

In 2024/25, the Trust reported a £17.01m deficit despite receiving £25.8m in deficit funding support, continuing a trend of financial underperformance. This required the Trust to issue undertakings to NHS England around actions to be taken. Strengthening the delivery of savings was critical to returning to financial balance.

The 2025/26 plan forecasts a £4.7m deficit, with a challenging 8.6% savings target. While the Trust lacks a current medium-term financial plan, one is planned for summer 2025. The strategic partnerships with neighbouring Trusts will be key. High-risk savings plans and enforcement actions highlight ongoing weaknesses. Despite these challenges, the Trust is actively updating strategies and collaborating within the system to strengthen financial resilience and long-term sustainability. We raise a key recommendation on these matters.



Governance

The Trust has a structured approach to budget-setting, with regular review by the Finance & Investment Committee (FIC) which is shared Trust-wide. Monthly reports provide accurate, timely data, and no material errors were found in the accounts, though a Section 30 Report was issued in June 2024 which remains in place.

Governance is supported by a robust assurance framework, internal audit, and risk management processes. Information presented to Board allows for informed decisions to be made.

Governance arrangements for the strategic partnership with Kettering General Hospital NHS Foundation Trust requires a focus on leadership stability, data infrastructure, and delivering the workforce strategy. Whilst good progress is now being made, pace is required to drive this further.



Improving economy, efficiency and effectiveness


The Trust publishes a detailed monthly Integrated Performance Report (IPR), reviewed bi-monthly by the Board, however its length and data lag have prompted calls for a more concise dashboard. A redesigned IPR launched in April 2025 includes automated data, Statistical Process Charts (SPC), and assurance indicators. The Trust also engages in national benchmarking and productivity initiatives.

A Section 29A warning from the CQC was issued in March 2025 as insufficient action had been taken to mitigate the risk to patient safety from the ongoing pressures of excess demand and capacity constraints. Financial and regulatory pressures also continue to persist.

Strategic and procurement frameworks are being refreshed to support improvement.

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	2024/25 outcome	
Opinion on the Financial Statements	We have completed our audit of your financial statements and issued an unqualified audit opinion on 27 June 2025, following the Audit Committee meeting on 25 June 2025. Our findings are set out in further detail on the following pages.	
Use of auditor’s powers	<p>We issued a section 30 referral to the Secretary of State for Health and Social Care regarding the Trust’s break even duty in June 2024 and this remains in place. The referral also covers the fact that the Trust still remains in deficit, reporting a cumulative deficit of £142.3 million as at 31 March 2025.</p> <p>No other issues have been identified during our work which require us to make statutory recommendations, or issue a Public Interest Report (PIR).</p>	

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 issued an unqualified opinion on the Trust's financial statements on 27 June 2025. The full opinion is included in the Trust's Annual Report for 2024/25, 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 2025 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 2024/25, 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 and supported by detailed working papers.

- We did not identify any adjustments to the financial statements that altered the financial position.
- We noted four unadjusted misstatements, the most significant relating to the overstatement of disposals, where the potential estimated error was £1.5m. If the Trust processed all four identified misstatements the changes would have reduced the deficit by £0.749m. Due to the immaterial nature of the misstatements, these remained unadjusted in the final version of the financial statements.
- We also identified a number of disclosure amendments to improve the readability of the financial statements and ensure greater compliance with the requirements of the Group Accounting Manual.
- Twelve control recommendations were raised in 2024/25 as a result of the financial statements audit and one recommendation is still to be addressed from the prior year.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report which was presented to the Trust's Audit Committee on 25 June 2025. Requests for the final 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 2024/25.

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 2024/25.

It should be noted that the audit team identified a number of amendments to the draft version prepared, and a recommendation has been made to strengthen the working papers in future years. The final version has been updated to include all required amendments.

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 2024/25 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 requested that the Trust made an amendment to the statement to ensure full compliance with the guidance. This has been made in the final version.



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 regarding the Trust's break even duty in June 2024 and this remains in place. The referral also covers the fact that the Trust still remains in deficit, reporting a cumulative deficit of £142.3 million as at 31 March 2025.

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 2024/25.

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 NHS Trust for 2024/25.

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 and 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, 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	For 2024/25 the Trust reported a £17.01m deficit against a breakeven plan, which was revised after receiving £25.8m in Deficit Support funding. This ongoing overspend reflects the Trust's historical inability to achieve breakeven, leading to a s30 referral letter for breaching its breakeven duty. The 2025/26 financial plan also anticipates a £4.7m deficit, despite receiving £31.0m in deficit support funding, and includes an ambitious 8.6% Cost Improvement Programme (CIP) target, more than double the amount delivered in 2024/25. Currently, the Trust lacks a medium-term financial plan (MTFP) but recognises the need for one, intending to collaborate with system partners to develop it in 2025/26 in line with NHS England timelines. This needs to be done alongside the refresh of the Trust's key strategies which is planned for 2025/26. The Trust is working closely with a Financial Improvement Team from NHS England to assist in executing its operating plan.	A
plans to bridge its funding gaps and identify achievable savings	The Trust has an efficiency plan included in each annual financial plan; however, it is not fully developed at the start of the financial year and lacks multi-year rolling efficiency plans. In 2024/25, the Trust under-delivered by £0.1m against its Cost Improvement Programme (CIP) plan but exceeded its recurrent plan by £0.7m, which is a positive. The CIP target for 2025/26 is set at £47.1m, more than double that of 2024/25, presenting a significant challenge. By April 2025, only 19% of the plan was categorised as fully developed or in progress, with 84% deemed high risk. Arrangements to identify and develop savings plans have been assessed as requiring strengthening. The absence of a medium-term financial plan (MTFP) adds to the risks surrounding the 2025/26 financial plan. The Trust continues to work closely with a Financial Improvement Team from NHS England on its underlying financial position and the delivery of its 2025/26 operating plan, including the CIP.	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 (continued)

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 has established arrangements through its strategic objectives and priorities to support its financial planning. The plans submitted for the 2024/25 and 2025/26 financial years align with both the strategic and statutory priorities. In formulating these plans, the Trust utilises its costing system, national benchmarking, and NHS England's published productivity metrics, primarily to identify areas and ideas for potential efficiency savings. However, the Trust still has enforcement actions as reported to NHS England linked to the adverse financial position. It is accepted that there is a failure in arrangements relating to the Trust's duty to operate efficiently, economically and effectively indicating a continued significant weakness in the Trust's ability to demonstrate sustainable delivery of services in accordance with statutory priorities. For this reason, we will restate the significant weakness reported in the 2023/24 AAR.	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 is currently in the process of updating and rewriting its main strategies and plans. The Trust is aware of this and so we have not raised an improvement recommendation. A review of the existing documents indicates that the financial planning assumptions align well with these key documents. Regular updates were provided to the Finance and Investment Committee (and Board) as the operational plan developed, ensuring that key assumptions are consistent with system priorities. Financial Plan Update reports presented to the Board detail national planning assumptions and system priorities and their impact on the financial plan. Additionally, the Trust is taking part in system redesign, which is reflected in its financial planning activities.	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 – commentary on arrangements (continued)

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 monthly finance reports presented to the Finance and Investment Committee and the Board highlight financial risks and outline strategies for managing or mitigating these risks. To enhance ongoing financial recovery and resilience, the Trust commissioned a report to better understand its underlying financial position and to ensure effective grip and control over its finances. Furthermore, the Trust collaborates with system partners within the Integrated Care System (ICS) to address emerging system risks, enabling a coordinated approach to mitigating risks that may affect the delivery of financial plans across the system.	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 financial sustainability


Key finding: Based on the evidence reviewed, we have concluded that there is a significant weakness in the Trust’s arrangements to deliver financial sustainability. The undertakings approved by the Board in October 2023 indicate a failure in arrangements to ensure compliance with the Trust’s duty to operate efficiently, economically and effectively, primarily linked to the delivery of savings. This also indicates a significant weakness in the Trust’s ability to demonstrate sustainable delivery of services in accordance with statutory priorities. We have raised one key recommendation covering both these aspects.

Evidence: Significant efficiency savings are required each year to deliver the financial plan submitted to NHS England. In 2024/25, the Trust delivered £22.809m of efficiency savings. £9.106m (40%) of these savings were recurrent.

For 2025/26, efficiency plans total £47.120m which is more than double that achieved in 2024/25 and represents 8.6% of expenditure. At the time of our review, within the financial plan submitted to NHS England for 2025/26, there is a large proportion (80.7%) of unidentified and opportunity schemes built into the financial delivery. These are currently reported as “opportunities” which will be delivered through workforce controls, assessment of capacity and flow, digital solutions and clinical service reviews. Across the University Hospitals Group, there are plans to deliver a total of £85.5m in efficiency savings. Experience informs us that savings of this scale are a significant challenge.

The Trust lacks a pipeline of robustly planned saving schemes for 2025/26 and future years which places delivery of financial balance in the medium-term at risk.

Impact: If the Trust is not able to identify sufficient recurrent savings before the year begins, the risk of under-delivery of savings at year end is immediately higher given it takes time to fully work up savings plans from initial ideas to implemented schemes.

 Chart 1: CIP delivery			
	Plan £m	Actual £m	Variance £m
2024/25			
Recurrent	8.4	9.1	0.7
Non-recurrent	14.5	13.7	0.8
Total	22.9	22.8	0.1
2025/26			
Recurrent	21.3		
Non-recurrent	25.8		
Total	47.1		

Financial sustainability (continued)

We set out below further evidence to our finding that there remains a significant weakness in arrangements in this area.

Significant weakness identified in relation to financial sustainability

Evidence: The Trust Board approved undertakings in October 2023 which were submitted to NHS England. These indicated a failure in arrangements to ensure compliance with the Trust's duty to operate efficiently, economically and effectively.

These undertakings set out that the Trust would take all reasonable steps to recover the financial performance required to meet national standards in relation to the governance and processes in strategic oversight. The Trust remains in close dialogue with NHS England and no further enforcement action has been taken.

Whilst our review has identified some arrangements which have been strengthened around the delivery of savings, this has not had sufficient impact to move the Trust to financial balance in the medium term. Further actions are being taken to move to this position. However, for 2024/25, this indicates a significant weakness in the Trust's ability to demonstrate sustainable delivery of services in accordance with statutory priorities. We have raised one key recommendation covering both the weaknesses in savings delivery and the ability to meet statutory priorities.

Impact: The financial position of the Trust is preventing it from meeting its statutory requirements and without decisions to look at how significant savings can be delivered across all aspects of delivery; the Trust will not be in a position to return to financial balance.

Key Recommendation 1

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.

Financial sustainability (continued)

Area for Improvement: Medium-term financial planning

Findings: There is currently no medium-term financial plan (MTFP) in place. The Trust recognises the need to develop an MTFP, working with system partners, and there are plans to develop this in summer 2025.

Evidence:

Financial pressure remains high within the system and the Trust's underlying deficit is increasing as reported in the financial plans submitted to NHS England in May 2025. It is therefore vital that the Trust has more detailed and robust plans for understanding the key drivers of the deficit, how costs are being managed, and for the UHN Recovery Group to have greater oversight of where plans are not delivering to be able to take corrective action.

Our review identified that key Trust strategies are out of date or require revisions which the Trust is aware of. Although the financial plan is currently based on these strategies, it doesn't yet reflect the most up-to-date strategic direction the Trust is working towards. Whilst financial assumptions within the MTFP are reasonable, the overall plan lacks a level of granular detail aligning to current strategies. We have therefore raised an improvement recommendation.

Impact: Without a robust and developed MTFP, supported by updated strategies including clinical, workforce, and estates, the Trust will not be able to ensure that key decisions made to deliver financial balance are aligned to key Trust and system strategic objectives.

Improvement Recommendation 1

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
- identify the structural deficit and what is driving it, and
- include 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.

Financial sustainability (continued)

Area for Improvement: Developing PMO capacity

Findings: The Trust has confirmed that it is currently holding a number of vacancies within its Programme Management Office (PMO) which results in reduced support for clinical divisions to identify, develop and deliver savings. The vacancies are due to a current recruitment freeze.

Evidence: The PMO plays a critical role in supporting the delivery of cost improvement programmes (CIPs) and transformation initiatives across clinical and corporate divisions. The absence of sufficient programme and project management capacity significantly limits the Trust's ability to identify, mobilise, and sustain savings opportunities at scale.

The current recruitment freeze is being applied across all areas of the Trust. Identifying vacancies which, if filled, would help the Trust to deliver additional savings and offset the spend from opening up these posts.

Impact: Whilst adhering to the recruitment freeze is showing that finance is no different to other front-line departments, the current under-resourcing and therefore financial saving is counter-intuitive to the Trust's broader financial recovery and transformation objectives.

Improvement Recommendation 2

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.



Grant Thornton insight

Developing PMO arrangements with sufficient capacity and capability

Trusts with well developed and fully resourced PMO functions regularly deliver higher levels of recurrent and cross cutting savings. This strategic investment in our experience yields higher savings by:

- enhancing governance, assurance, and benefits realisation of transformation programmes
- supporting staff who can see saving opportunities in their area to unlock these in a safe and controlled way which can be scaled, and
- reducing reliance on costly external consultancy support.

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	The Trust has a well-established Group Board Assurance Framework (BAF) and a unified Risk Management Strategy, ensuring strategic risks are regularly reviewed and updated bi-monthly by the Board following review at Committee level. Internal Audit provides ongoing assurance reporting regularly to the Audit Committee given a Reasonable Assurance rating for 2024/25. Anti-fraud arrangements align with NHS strategy, and while a policy update has been drafted, this has not yet been presented for approval at the UHN Audit Committee. This is due at the next meeting and therefore we have not re-raised the prior year recommendation. While performance and quality metrics are reported, Board oversight of mortality and complaint's themes and trends needs strengthening. The improvement recommendation previously raised around Learning from Deaths was not actioned, however, the ICB conducted an external review around Learning from Deaths reporting which raised no concerns. The Board continues to receives updates on the effectiveness of these arrangements through the Patient Safety Report.	G
approaches and carries out its annual budget setting process	The Trust has established arrangements that guide how it approaches and executes its annual budget-setting process. The principles for budget setting are initially shared at the Finance & Investment Committee (FIC) before being disseminated across the Trust. Both the FIC and the Trust Board receive regular updates on progress, providing them with the opportunity to actively engage in the development of plans and to scrutinise and question the proposals as they are formulated and presented for approval.	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)

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's monthly financial reports to the Finance & Investment Committee and the Board offer a clear summary of the financial position for the month and year to date, along with a forecasted outturn position. These reports deliver relevant, accurate, and timely management information, including non-financial data when appropriate. Our audit work has not identified any serious weaknesses or material errors in the financial accounts.	G
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	The Trust has structured governance arrangements, with Board agendas supporting effective information sharing, though some inconsistencies exist in documenting paper purposes and meeting outcomes. Committee reports, led by experienced Non-Executive Directors, are clear and provide assurance on key issues to the Board. Leadership is strong, with regular updates from the shared Chair and CEO, and collaboration with other Trusts is encouraged. Ahead of a Board restructure, some meetings saw high Non-Executive Director absences but quoracy was always maintained. Compared with other Trusts, Board minutes can lack detail, which may limit the recording of transparency and accountability in decision-making. The Audit Committee, shared with Kettering General NHS FT, is effective, meeting regularly and demonstrating robust discussion and challenge. We have identified that the joint working within the umbrella of 'University Hospitals of Northampton (UHN)' is key for the Trust moving forward and have reviewed these arrangements in more detail as reported on pages 26 and 27. An improvement recommendation has been raised.	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
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	The Trust has established arrangements to ensure compliance with legislative and regulatory requirements, with no significant breaches reported during the year. It follows a shared UHN Fit and Proper Persons (FPP) Policy, conducts annual FPP checks, and reports compliance to NHS England. One Information Governance incident was reported to the ICO and appropriately addressed. The Trust also has a shared policy on declarations of interests, gifts, and hospitality, with entries recorded on the Electronic Staff Record. We have identified that these arrangements could be strengthened as set out on page 28. We have also identified arrangements around waivers could be strengthened (see page 28 also). The Trust’s Scheme of Delegation (SoD) and Standing Financial Instructions (SFIs) have recently been refreshed to ensure consistency across both Trusts, and it is expected that the implementation of these will support the improvement of waiver reporting.	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 (continued)

The collaboration between Northampton General Hospital NHS Trust and Kettering General Hospital NHS Foundation Trust, under the umbrella of the University Hospitals of Northamptonshire (UHN), has evolved significantly over the past few years.

Overview

The two trusts maintain their legal independence but operate under a shared leadership team, including a joint Chief Executive and Chair.

Initially impacted by leadership instability and cultural resistance, the partnership is moving towards a more cohesive and strategically aligned relationship.

While challenges remain, there is growing evidence of progress in clinical integration, financial efficiencies, and operational performance. These will be key to unlocking savings and efficiencies and moving together towards a position of financial balance.

Ensuring the governance around this collaborative working is key to maintaining grip and control over evolving arrangements. We have assessed the impact across clinical collaboration and patient care, financial efficiencies and operational integration, and leadership, culture and workforce.

Clinical Collaboration and Patient Care

Integrated Services: Progress has been made in clinical collaboration, initially in fragile services such as ENT, Stroke, and Breast, but now moving more widely. Centres of excellence have been identified for most key services, and the direction of travel is increased communication and clinical collaboration.

Shared Learning and Best Practice: The collaboration has enabled the adoption of best practices across both Trusts, with a growing openness to a unified "UHN way" of working.

Improved Governance and Data Use: A new Integrated Performance Report (IPR), launched in April 2025, enhances transparency and accountability. It is designed to provide actionable insights and to drive performance discussions and improvement at divisional levels.

Strategic Alignment: A joint clinical strategy with University Hospitals of Leicester (UHL) is in development, aiming to further integrate services and improve patient pathways across the region.

Financial Efficiencies and Operational Integration

Savings Delivery: a high value of savings delivered historically have been non-recurrent. There is scope to drive increased recurrent savings from collaboration. The Trusts have ambitious savings targets over 5.5% of income and there is a need to reduce workforce headcount to deliver this.

Improved Financial Governance: Budget ownership has been strengthened at clinical and divisional levels, and dual reporting structures are now in place to ensure accountability.

Organisational Restructuring: The reorganisation of financial business partners and the establishment of divisional roles to support transformation has improved clarity and ownership of responsibilities.

Challenges in Capacity: Despite progress, the PMO remains under-resourced, managing over 450 schemes with only two staff. A review of capacity and capability is required. Investing in this service would provide additional capacity to drive saving schemes forward with increased pace.

Governance (continued)

The collaboration between Northampton General Hospital NHS Trust and Kettering General Hospital NHS Foundation Trust, under the umbrella of the University Hospitals of Northamptonshire (UHN), has evolved significantly over the past few years.

Leadership, Culture, and Workforce

Leadership Stability: The appointment of a single CEO and a unified executive team has been pivotal in aligning strategic direction and fostering a culture of collaboration.

Staff Engagement: While staff surveys indicate ongoing challenges, particularly around middle management training and capability, there is an increase in staff feeling engaged and involved in decision-making processes and improvements noted in leadership visibility and communication.

Cultural Shift: The organisation is transitioning from a dual-Trust mindset to a UHN identity, with many staff and stakeholders behaving as though the Trusts are one organisation, despite remaining statutory separate entities.

Workforce capacity: Both Trusts are carrying a high number of vacancies with a recruitment freeze in place. The challenge is how to fill business critical roles whilst reducing the overall headcount to make the savings required.

Looking Ahead

Strategic Goals: The collaboration is driven by the need to ensure clinical and financial sustainability, improve patient care, and address rising demand due to population growth. So meeting the needs of the local population and providing high quality care is key.

Data-Driven Improvement: There is a strong aspiration to embed data-driven decision-making at all levels, though capability gaps remain.

System-Wide Collaboration: Engagement with primary care and regional partners is increasing, with efforts to streamline urgent care pathways and reduce reliance on the private sector.

Further collaboration: The national shift to drive system collaboration makes the relationship with University Hospitals of Leicester NHS Trust vital for leveraging economies of scale, delivering higher quality of services and importantly achieving financial balance on a larger footprint.

Conclusion

While early efforts to collaborate faced challenges due to misalignment in leadership and vision, recent changes have brought in an Executive leadership team with appropriate expertise and a collaborative mindset. This is driving change at pace, and enabling meaningful progress and stronger alignment across the partnership of services.

Limited documentation of initial benefits, and no detail on measurable patient and staff outcomes, makes it unclear whether these have been realised. However, the journey over the past five years provides foundations for safer, more effective care and financial sustainability. Time-scales for delivery of key aspects is now required.

Improvement Recommendation 3

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.

Governance (continued)

Learning from others – declarations of interest

Findings: We have not identified any weaknesses in the arrangements for managing declarations of interest but have seen better arrangements at other Trusts.

The Trust has a UHN Managing Declarations of Interest, Gifts, Hospitality and Commercial Sponsorship Policy which is next due for review in Nov 2027. Declarations are recorded on the Trust's Electronic Staff Record (ESR). The benefit of having an electronic system is that it can be used to track declarations more efficiently than paper-based records. This can enhance compliance with automated reminders and increased data quality.

The Trust provides public access to its registers of interest via its website, but this was out of date. Review of these registers identified a low number of declarations, far lower than we would expect for a Trust of this size.

What others do well: We have observed Trust's maintaining live systems monitoring the proportion of declarations made to the full establishment and having dedicated resource to remind staff meeting the criteria to renew their declarations. This strengthens arrangements when making procurement decisions.

The Trust could consider: maximising the facility of their ESR system to strengthen declarations made across the staffing body.

Learning from others – managing waivers

Findings: Tender waivers are reported to the UHN Audit Committee but lack consistency and frequency. It was unclear which waivers related to which Trust and the timelines for data were inaccurate. This could link with the procurement learning identified and reported on page 33.

The Trust could consider: improving and standardising waiver reports for both Trusts, allowing the UHN Audit Committee to see trends, or indicators of wider issues around internal control, resourcing and compliance with Standing Financial Instructions.



Grant Thornton insight

Strengthening arrangements around waivers

Using waivers instead of standard procurement routes can increase risks, including reduced competition, weaker value for money, and lower transparency, and therefore should be monitored. In our experience, Trusts with good controls have clear, consistent and timely waiver reporting. This should detail the reason for the waiver, the value, the service or goods involved and whether it was a repeat request. Reports cover a defined period and clearly state which department has requested them. Including summary analysis such as trends in waiver usage, recurring suppliers, and common reasons can help the Audit Committee identify any wider concerns around procurement planning, compliance or internal controls.

Grant Thornton insights – learning from others

The Trust has the arrangements we would expect to see in respect of Learning from Deaths, but could challenge itself to go further, based on the best arrangements we see across the sector.



What the Trust is already doing

- The Trust Board receives high level mortality data at each meeting.
- Learning from Deaths reports are presented at the Quality and Safety Committee quarterly.
- There is a monthly learning from deaths meeting.
- The Trust benchmarks against similar organisations using GiRFT (Getting it Right First Time) and Model Hospital metrics to assess performance against peers.



What others do well

- Where Trusts have lower numbers of incidents rated moderate or above, which result in severe harm or death (as reported by NHS England), we see assurance taken to Board at least annually. This includes a thematic analysis, with actions being taken to ensure data is fully validated and incidents remain low.
- Information on Structured Judgement Reviews, including themes and progress made with any backlogs is also reported to Board annually.



The Trust could consider

- Presenting thematic analysis Learning from Deaths data, and Structured Judgement Reviews to highlight emerging trends and areas for learning.

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 publishes a monthly Integrated Performance Report (IPR), which is reviewed by Committees and then the Board every two months. The report includes key metrics and comparisons with Kettering General Hospital NHS Foundation Trust. While detailed, it is lengthy and typically three months out of date, leading to calls for a more concise summary dashboard. To ensure accuracy, the Trust uses pre-approved data and is developing a new data quality policy. In 2024/25, the IPR was redesigned and relaunched in April 2025. It now features automated data, narrative insights, Statistical Process Control (SPC) charts, and assurance indicators. The Trust also participates in national programmes such as GIRFT and NHS Benchmarking. Additionally, it has created an elective productivity dashboard aligned with the Model Hospital, with national benchmarking data to be added from May 2025.	G
evaluates the services it provides to assess performance and identify areas for improvement	During 2024/25, the Trust received a Section 29A warning notice from the Care Quality Commission (CQC) regarding potential harm to patients, privacy and dignity concerns, and the adequacy of systems and processes to manage patient flow. This service had previously been assessed by the Regulator in 2019 to be 'Good'. In the prior year we raised an improvement recommendation as regular Board updates on the progress of CQC actions were limited. Our review in 2024/25 confirms that during the reporting year, whilst the Board had oversight of demand pressures and associated risk in UEC, insufficient action had been taken to mitigate patient safety risks and therefore we are raising a key recommendation (see page 32 for further details). The Trust has remained in Segment 3 of the NHS Oversight Framework. Formal undertakings are in place due to the Trust's financial performance and NHS England is considering downgrading the Trust to Segment 4 due to its deficit. Other contributing factors include a S29A warning notice issued by CQC following their inspection in February 2025 and the wider system was recently escalated for NHS England Tier 2 for UEC triggering regionally led improvement support.	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.

Economy, efficiency and effectiveness – commentary on arrangements (continued)

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 is in the process of refreshing its strategic framework, following the expiry of several key Group strategies in April 2024, as set out in our improvement recommendation on page 21. The draft UHN/UHL Clinical Strategy is a central focus, with stakeholder engagement informing its development and alignment with the upcoming NHS England 10-year plan. Strategic risks linked to the strategy are monitored through the Board Assurance Framework. Broader planning is supported by quarterly development sessions and workshops involving system partners. For 2025/26, three strategic priorities; transforming patient care, strengthening culture, and delivering the financial plan, were agreed by the Board, supported by ten key deliverables to guide implementation. There is however a lack of clarity regarding collaboration within the Northamptonshire Integrated Care System, particularly in how the Trust and its partners jointly pursue a system-wide strategic direction. Systems with oversight groups which ensure consistency of spend and efficiency decisions are closer to financial balance supported by a system MTFP and financial strategy.	G
commissions or procures services, assessing whether it is realising the expected benefits	The Trust's arrangements for managing contracts are planned to be strengthened via delivery of the UHN Procurement Strategy. Only a minority of contracts are currently managed by the central Procurement Team with the remainder of contracts managed independently by Operational Services, and information is not recorded centrally. There are plans to move to the national contract management system and to roll out a formal contract management framework to ensure strategic and high value contracts are managed by the Procurement Team, although the timeliness of this should be reconsidered now the new Procurement Act has come into force. The Trust has made appropriate preparations for the roll out of the refreshed Procurement Act. The Group is also a member of the East Midlands Acute Providers (EMAP) group, focusing on clinical consumables, and attend all NHS England led Central Commercial Function meetings to engage in the Framework Accreditation Programme for purchasing goods and services.	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.

Economy, efficiency and effectiveness (continued)

Significant weakness identified in relation to economy, efficiency and effectiveness

Key finding: In March 2025, the Care Quality Commission (CQC) issued the Trust with a Section 29A warning notice, over the Trust's arrangements for Urgent & Emergency Care, in relation to potential patient harm, privacy and dignity of patients and systems and processes to manage patient flow. The Trust also moved into tier two for UEC services. This notice indicates gaps in arrangements during 2024/25 for internal oversight of quality assurance within UEC services that were not identified or addressed in the year.

Evidence: In 2023/24 we reported that the Board should receive regular updates on CQC action progress, be informed of any delays, and recommended a comprehensive review to assess how learning is shared and its impact across the organisation following CQC inspections, ensuring similar issues do not recur.

Internal quality assurance arrangements are in place, with the Quality & Safety Committee having delegated responsibility for regulatory compliance. As a Committee of the Board, the committee oversees progress on behalf of the Board, meaning the Board was not regularly sighted on CQC updates and delays, although this was escalated by the Chief Nurse to Board during 2024/25. An external review of quality governance has been completed and there are plans to change this arrangement. These arrangements should continue to be utilised to ensure the Board is provided with assurance that actions for improvement are delivered to meet the regulatory requirement and are being sustained.

In March 2025, the Private Board was informed of the Section 29A warning notice and in April 2025 the Public Board were informed of the position and provided with an update along with a developing action plan. Given the timing of the notice, there was insufficient evidence for us to conclude on the effectiveness of these arrangements. Our work in year therefore provides limited evidence of progress made in addressing regulatory requirements following CQC inspections. We recognise that this will require system solutions.

Impact: If the Trust does not have sufficient assurance that appropriate action has been taken and embedded to achieve the required sustained improvement, it will be at greater risk of adverse regulatory findings in future.

Key recommendation 2

KR2: The Trust should ensure its quality assurance processes regularly assure the Board that improvements to meet regulatory requirements 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.

Grant Thornton insights – learning from others

The Trust has the arrangements we would expect to see in respect of procurement and contract management, but could challenge itself to go further, based on the best arrangements we see across the sector



What the Trust is already doing

- The Trust's Procurement Strategy in place but planned to be updated with a UHN strategy.
- There is a central procurement team, although currently only overseeing a minority of contracts with the remainder being managed by operational services which are encouraged to include KPIs in their contracts to support monitoring.
- There are plans to move to the national contract management system and to roll out a formal contract management framework to ensure strategic and high value contracts are managed by the Procurement Team.
- The Trust has made preparations for the refreshed Procurement Act coming into force, with training completed, SFIs revised and access to national templates.



What others do well

- At bodies with strong contract management arrangements we see a risk-based approach to contracts, and the implementation of a tiering system which the Trust proposes to introduce:
 - **Gold** contracts are managed by the central team.
 - **Silver** contracts receive reduced support from the central team.
 - **Bronze** contracts are generally managed by the operational team.



The Trust could consider

- Revisiting the timings for delivering priorities, aligning with the new Procurement Act, the UHN Strategy and implementing a framework to tier contracts for additional central support.

05 Summary of Value for Money Recommendations raised in 2024/25

Key recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<div>KR1</div> <p>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:</p> <ul style="list-style-type: none">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.	Financial sustainability (pages 19 – 20)	<p>Actions: As part of work with NHSE Financial Improvement Team, UHN will strengthen governance and approach to the efficiency programme.</p> <p>This group is set up to oversee the identification and delivery of the programme of financial turnaround across UHN and to govern and monitor the delivery of financial controls, plans and strategies (including any underpinning operational, clinical and transformation plans that form part of the financial delivery requirement).</p> <p>It will have responsibility for the delivery of the requirements of the financial turnaround programme with explicit regard to the actions driving financial improvement in the short and medium term.</p> <p>Responsible Officer: Chief Finance Officer / Director of Continuous Improvement</p> <p>Executive Lead: Chief Finance Officer / Director of Continuous Improvement</p> <p>Due Date: Ongoing but timed to inform MTFP and 2026/27 planning processes</p>

Key recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<div>KR2</div> <p>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.</p>	Improvement economy, efficiency and effectiveness (page 32)	<p>Actions:</p> <ul style="list-style-type: none">1) Establish a robust Quality Assurance Framework giving ward to board oversight2) Introduce a Board Assurance Dashboard for Quality Safety Committee3) Strengthen Governance Oversight by implementing the actions from the WGLL review4) Develop a Lessons Learned Repository - create a centralised, accessible repository of lessons learned from inspections and regulatory notices, with guidance on how these lessons apply across different services. <p>Responsible Officers:</p> <ul style="list-style-type: none">1) Director of Nursing / Deputy Medical Director2) Director of Clinical Governance and Quality Assurance3) Director of Nursing / Deputy Medical Director4) Director of Nursing / Deputy Medical Director <p>Executive Lead: Chief Nurse / Medical Director</p> <p>Due Dates:</p> <ul style="list-style-type: none">1) December 20252) December 20253) March 20264) March 2026

Improvement recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<div>IR1</div> <p>The Trust should report their MTFP to the Board in summer 2025, once developed in line with NHS England timescales. It should:</p> <ul style="list-style-type: none">align with other strategies which require updating clearly setting out funding allocations, any implications from patient pathway redesign, and saving requirementsalign with system partners to deliver system balanceidentification of the structural deficit and what is driving itfinancial planning uncertainties and key financial risks <p>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.</p>	Financial sustainability (page 21)	<p>Actions: The MTFP will be developed alongside the new clinical strategy and will also lean on the refresh of strategic planning in other areas.</p> <p>UHN will work closely with System Partners to understand the key drivers and opportunities for improvement that require further collaborative working.</p> <p>UHN will also take into account the emerging 10 year plan and its priorities. The link to KR1 in terms of multi-year CIP and efficiency development will also be taken into account.</p> <p>Responsible Officer: Chief Finance Officer</p> <p>Executive Lead: Chief Finance Officer</p> <p>Due Date: Quarter 3 to align with the Board’s consideration of the MTFP</p>

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
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.	Financial sustainability (page 22)	<p>Actions: As part of work with NHSE Financial Improvement Team, assess the capability and capacity of the PMO team, and develop the future model to support the long-term sustainability of the function within the organisation.</p> <p>Review vacancies within the PMO team and consider whether to support recruitment over releasing for CIP.</p> <p>Close joint working with the FIP team to support skills transfer and team capability building, and early handover planning to be embedded within the programme.</p> <p>Responsible Officer: Director of Continuous Improvement</p> <p>Executive Lead: Director of Continuous Improvement</p> <p>Due Date: September 2025</p>
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.	Governance (pages 26 – 27)	<p>Actions: Continued work to ensure the benefits of collaboration are delivered - with focus from all Executives across their portfolios will ensure progress</p> <p>Responsible Officer: All Executive Leads</p> <p>Executive Lead: Chief Finance Officer to report to Audit Committee on progress</p> <p>Due Date: On-going</p>

06 Follow up of previous Key recommendations

Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR1	<p>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:</p> <p>underpinned by robust planned savings schemes, with a clear pipeline of delivery within recorded timescales.</p> <p>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.</p> <p>reported with enhanced detail to the Board, given its critical part in meeting the Trust's financial target.</p>	2023/24	<p>The Trust has taken action to strengthen governance arrangements which has enhanced oversight and monitoring, but more work is required to identify and develop savings at the scale required. This is supported by the Trust's planned deficit position for 2025/26 which includes a significant savings target. As such we raise a key recommendation again.</p>	Limited progress made	<p>The Trust needs to ensure that the focus on delivering planned productivity improvements and efficiency savings is understood by all staff with enhanced focus on the identification and development of savings going forward. We have raised a key recommendation on this matter in 2024/25. See pages 19 – 20.</p>

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 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	<p>As set out in the Trust's undertakings, to demonstrate how recurrent financial sustainability will be delivered, the Trust should report the 2024/25 to 2027/28 MTFP to the Board, in Autumn 2024, containing the following in detail:</p> <ul style="list-style-type: none">• identification of the structural deficit and what is driving it;• assumptions which clearly set out significant cost and demand drivers, funding allocations, implications of patient pathway redesign;• a strategy for how financial pressures will be mitigated rather than just identify the financial planning gap;• financial planning uncertainties and key financial risks;• confirmations that the MTFP uses agreed / consistent assumptions with other healthcare system NHS partners and that it contributes to the system MTFP, including how collaborative working with Kettering General Hospital NHS Foundation Trust can support wider efficiencies.	2023/24	NHS England's timetable for Trusts to develop MTFPs has been extended to 2025/26. The Trust has focused on 2025/26 following the arrival of the new CFO and recognises the need to develop an MTFP which links with system partners and is supported by refreshed strategies to that the overall strategic direction of the Trust aligns internally and with the wider system partners.	In progress	The Trust should focus during summer 2025 in developing a Medium-Term Financial Plan, aligning with system partners and the revised clinical strategy being developed with University Hospitals of Leicester NHS Trust. We have raised an improvement recommendation. See page 21.

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR2	Update the BAF monthly with consistent risk scores, clear action timelines, and progress updates to ensure effective Board oversight and timely risk mitigation.	2023/24	The BAF was reviewed following our review in 2023/24 and there is evidence that the Committees review the risks assigned to them and reports changes made including planned actions, updates to assurances, completion of actions and changes to risk scores.	Implemented and closed	No further action required
IR3	Update and align the Anti-Fraud, Bribery, and Corruption Policy with UHN group standards by the next Audit Committee meeting.	2023/24	The local anti-fraud, bribery and corruption policy has not been aligned with other organisations within the Group as recommended last year. The Trust plan to discuss this at the next UHN Audit Committee.	Almost fully implemented	The policy will be approved by the next UHN Audit Committee. As such we have not re-raised this recommendation.

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR4	The Trust Board should ensure that an annual Learning from Deaths report is part of the Board Workplan for annual presentation to the Board and review the frequency of external assurance cyclical reviews on mortality arrangements to ensure that the Board has full assurance they are meeting best practice and that any issues are identified and addressed promptly.	2023/24	A thematic Learning From Deaths report is not shared with the Board. The ICB conducted an external review in this area which raised no concerns. Whilst the recommendation has not been implemented, we have not re-raised but have provided insight on page 29.	There is scope to further strengthen arrangements	Consider whether the Trust wishes to act upon the insight shared
IR5	The Trust should produce a data quality policy which details how the Board will be assured that all data is quality checked.	2023/24	Our review confirmed that the Data Quality Policy has been refreshed. We have had sight of an early draft version, and we understand that this is currently going through the governance structure for approval.	Implemented and closed	No further action required

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR6	The Trust should ensure that they seek assurance over their revised arrangements for assessing incidents rated moderate or above which result in severe harm or death reported to NHS England and that timely and effective learning is put in place to improve patient outcomes where necessary.	2023/24	The Trust confirmed that the ICB's external review of the new harm review process raised no concerns. The Board will receive ongoing updates on the effectiveness of these arrangements through the Patient Safety Report. We also acknowledge that ongoing work is underway to align patient safety reporting processes across both Trusts.	Implemented and closed	No further action required
IR7	The Trust should use the refresh of the Integrated Governance Report to consider further improvements, particularly around indicators which are off track where they should be clarity over what the issues are, what actions have been taken, further action planned and any mitigations. This should also detail any actions specifically taken as a result of external support e.g. 4 hour waits in the Emergency Department.	2023/24	The Trust implemented last year's improvement recommendation, redesigning the IPR in 2024/25. Some metrics now auto-populate via a new data warehouse, with added narrative on performance issues, actions, and risks. SPC charts show trends, and icons indicate assurance and performance variance.	Implemented and closed	No further action required

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR8	The Board should receive regular updates on CQC action progress and be informed of any delays. A comprehensive review is needed to assess how learning is shared and its impact across the organisation following CQC inspections, ensuring similar issues do not recur.	2023/24	This recommendation was not implemented, however, the Trust is aware the current arrangements needs strengthening and has commissioned an external review of their quality governance arrangements. The Trust received a Section 29A warning notice from the CQC in March 2025 which highlights the weakness in arrangements. We are raising a Key Recommendation.	Escalated	We have identified a significant weakness in relation to the receipt of a S29A warning notice in relation to UEC services, and have raised a Key Recommendation. See page 32.



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