

Northampton General Hospital NHS Trust

Auditor's Annual Report for the
year ended 31 March 2024

23 August 2024



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We are required under Section 21(2A)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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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Introduction



Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for Northampton General Hospital NHS Trust during 2023/24 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. Here we draw the reader's attention to relevant issues, recommendations arising from our work and how the Trust has responded to recommendations made in previous years. The responsibilities of the NHS Trust are set out in Appendix A.

Responsibilities of the appointed auditor

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 2024 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 2023/24, and
- have been prepared in accordance with the requirements of the National Health Service Act 2006

We also consider the Annual Governance Statement, the relevant disclosures within the Annual Report including the remuneration report and undertake work relating to the Whole of Government consolidation exercise.

Value for money

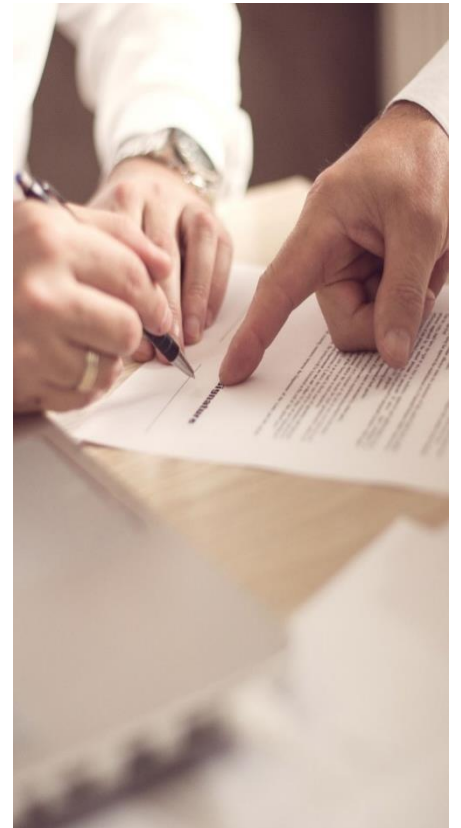
We report our judgements on whether the Trust has proper arrangements in place regarding arrangements under the three specified criteria:

- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

Other 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. They may also issue:

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



The Value for Money Auditor responsibilities are set out in Appendix B.

Executive summary



Executive summary

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 as set out below.



Financial sustainability

For 2024/25, the Trust's efficiency plans represent a saving of around 4.3% of expenditure which is in line with the efficiency saving target set by Northamptonshire ICB, but these are considered challenging within the current NHS landscape. The Trust lacks a pipeline of robustly planned saving schemes for 2024/25 and future years.

Due to the significance of this matter we have raised a key recommendation which has been accepted by Management. We have also raised an improvement recommendation. We include further detail on the following pages.



Governance

Both budget setting and budget monitoring were found to be appropriate. The Trust and Kettering General Hospital (KGH) maintain a group BAF, supported by a Corporate Risk Register, with regular monitoring by the Audit Committee and Trust Board. The Trust monitors its adherence to relevant guidance and legislation and has adequate arrangements for leadership roles, responsibilities, and statutory registers as outlined in the Constitution. Our review identified sufficient challenge provided by the Board and no evidence of inappropriate decision-making.

Our work has not identified evidence of significant weaknesses within the arrangements in place. However, we have identified areas where the Trust could improve arrangements and as such, have raised three improvement recommendations which have been accepted by Management.



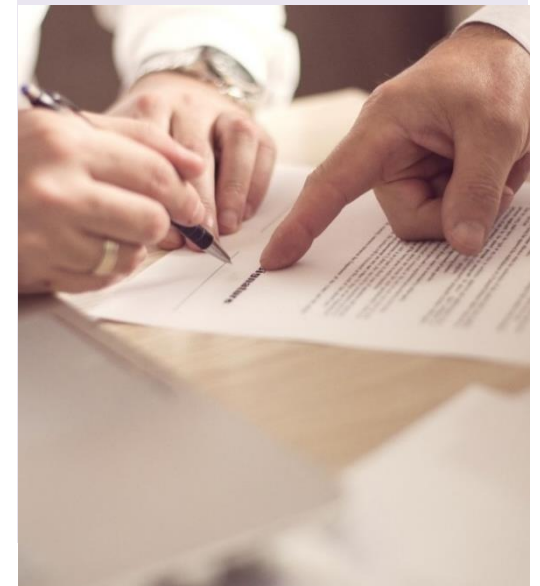
Improving economy, efficiency and effectiveness

The Trust monitors performance in quality, operational services, workforce, and finance, identifying and discussing areas for improvement. The Trust responded appropriately to the CQC recommendations following the Maternity Services review, with the Board initially viewing the action plan and receiving early progress updates. However, we have identified an improvement opportunity in arrangements around how the Board gains assurance over the embeddedness and sustainability of actions. Collaboration and partnership working has been found to be appropriate.

Our work has not identified evidence of significant weaknesses within the arrangements in place. However, we have identified areas where the Trust could improve arrangements and as such, have raised four improvement recommendations which have been accepted by Management.



We have completed our audit of your financial statements and issued an unqualified audit opinion on 18 July 2024, following the Audit Committee meeting on 26 June 2024. Our findings are set out in further detail on page 9.



Executive summary (continued)



Overall summary of our Value for Money assessment of the Trust's arrangements

Criteria	2023/24 Risk assessment	2023/24 Auditor judgement on arrangements	2022/23 Auditor judgement on arrangements
Financial sustainability	We concluded there is a risk of significant weakness around the Trust's arrangements to secure financial sustainability, specifically for identifying and delivering savings and delivering financial balance in the medium term.	R A significant weakness in arrangements for financial sustainability has been identified. We have raised a key recommendation that the efficiency programme needs to be underpinned by robust planned savings schemes with a clear pipeline of delivery within recorded timescales. We also identified an improvement opportunity that the Medium-Term Financial Plan should show more detail in years three to five to better illustrate the Trust's financial pressures over the medium term.	R Significant weakness in arrangements relating to financial sustainability and a key recommendation made.
Governance	No significant weaknesses in arrangements. Whilst not identifying the Group Structure as a risk of significant weakness, we will follow up on the outcome of the reviews and the development of these arrangements.	A No significant weaknesses in arrangements identified. Three improvement recommendations have been made on: <ul style="list-style-type: none"> • updating the Board Assurance Framework for the implementation of actions on five of eight strategic risks scored red • updating the Anti-Fraud, Bribery and Corruption Policy • seeking external assurance on mortality arrangements to ensure that they are meeting best practice 	A No significant weaknesses in arrangements identified. Two improvement recommendations were identified.
Improving economy, efficiency and effectiveness	No significant weaknesses in arrangements identified.	A No significant weaknesses in arrangements. Four improvement recommendations have been made on: <ul style="list-style-type: none"> • updating the data quality policy • using NHS benchmarking to identify learning to meet safety targets and improve patient outcomes. • refreshing and strengthening the Integrated Governance Report • embedding learning across the wider Trust in terms of current and past CQC inspections 	A No significant weaknesses in arrangements identified. Six improvement recommendations were identified.

G No significant weaknesses in arrangements identified or improvement recommendation made.

A No significant weaknesses in arrangements identified, but improvement recommendations made. Northampton General Hospital NHS Trust – Auditors Annual Report | July 2024

R Significant weaknesses in arrangements identified and key recommendations made.

Executive summary (continued)



Significant weakness identified in Financial Sustainability

We reviewed the Trust's arrangements to deliver financial sustainability and have concluded that there was a significant weakness in arrangements.

Short and medium term financial planning – identification of future saving plans

- In 2023/24, the Trust delivered £29.765 million of efficiency savings. £14,528 million (48.8%) of these savings were recurrent with recurrent pay savings of £5.904 million and recurrent non-pay savings of £8.437 million.
- For 2024/25, the Trust's efficiency plans total £22.901 million representing a saving of around 5% of expenditure which is in line with the efficiency saving target set by Northamptonshire ICB. Experience informs us that savings of this scale are a significant challenge.
- Of the £22.901 million 82.8% (£18,967 million) of the CIP schemes were assessed as high risk with a further 9.8% (£2.248 million) as medium risk and 7.4% (£1.686 million) low risk.
- The majority of high risks schemes in the 2024/25 Financial Plan are identified as opportunities for service redesign and a reduction in agency spend which accounts for around 60% of the planned recurrent savings.
- In 2023/24, the lack of clarity over planning for recurrent and non-recurrent savings and worked-up system wide initiatives for transformation and service redesign resulted in around only 1/3rd of the original schemes being delivered to plan.

The Trust lacks a pipeline of robustly planned saving schemes for 2024/25 and future years. Based upon the evidence we have reviewed, we have concluded that there is a significant weakness in arrangements in how the Trust plans to bridge its funding gaps and identify achievable savings which places financial sustainability in the short and medium term at risk. We have therefore raised a key recommendation.

Key recommendation

R1. 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.



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



Opinion on the financial statements



Audit opinion on the financial statements

We issued an unqualified opinion on the Trust's financial statements on 18 July 2024.

The full opinion is included in the Trust's Annual Report for 2023/24, 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 2024 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 2022-23, 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 (2020) 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, however the annual report was delayed and provided towards the end of the audit.

Draft financial statements were of a reasonable standard and supported by detailed working papers. The trust decided to restructure its financial ledger mapping during the year, resulting in some additional complexities in completing the audit testing, however no deficiencies were identified in the process.

We have not identified any adjustments to the financial statements which would impact the financial position. Our testing identified errors in the accruals balance which would indicate that expenditure has been understated in the financial period under review. An evaluation of this error has resulted in an unadjusted misstatement of £2.1m, which is not material to the financial statements, and therefore will remain unadjusted.

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.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. This report was presented to the Trust's Audit Committee on 26 June 2024. 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 (2020) 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 2023/24. 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 2023/24. At the date of this discussion draft, work in this respect remains ongoing.

Annual Governance Statement

Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to consider whether the Annual Governance Statement included in the Trust's Annual Report for 2023/24 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.

Annual Report

Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to consider whether, based on the work undertaken in the course of the audit of the Trust's financial statements for 2023/24, the other information published together with the financial statements in the Trust's Annual Report for 2023/24 is consistent with the financial statements. We have nothing to report in this regard.

Whole of Government Accounts

To support the audit of Consolidated NHS Provider Accounts, the Department of Health and Social Care group accounts, and the Whole of Government Accounts, we are required to examine and report on the consistency of the Trust's consolidation schedules with their audited financial statements. This work includes performing specified procedures under group audit instructions issued by the National Audit Office. At the date of this discussion draft, work in this respect remains ongoing.

We bring the following matters to your attention:

Referrals to the Secretary of State

We have referred a matter to the Secretary of State under section 30 (b) of the Local Audit and Accountability Act 2014 in relation to Northampton General Hospital NHS Trust's ongoing breach of its break-even duty. The Trust continues to be in breach of the rolling breakeven requirement.

We have also referred a matter to the Secretary of State under section 30 (a) of the Local Audit and Accountability Act 2014 in relation to Northampton General Hospital NHS Trust's setting of a breakeven budget for the year ending 31 March 2023 where there is no clear plan to achieve cumulative financial balance.

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 2023/24.

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 2023/24.

Value for Money Commentary on arrangements



The current NHS landscape



National context

In 2023/24, the NHS has continued to show commitment to patient care and service delivery. Advancements in digital health technologies including virtual wards have the potential to support service redesign, reduce waiting times, and improve patient outcomes. Data published by NHS England in April 2024 indicates that performance against key metrics for elective waiting times, diagnostic tests access, and A&E 4 hour waits all improved year on year, though performance is still some way from target. These achievements demonstrate the resilience and adaptability of NHS staff amidst ongoing pressures.

Integrated Care Systems, established on 1st July 2022, remain at varying stages of maturity. Some systems have developed changes to patient pathways designed to improve outcomes, create efficiencies, tailor services to the needs of their local population and address local health inequalities. Most systems continue to face significant challenges, including workforce shortages, rising demand for healthcare services, and efficient resource management, all resulting in financial sustainability uncertainties.

Pay and productivity remain key challenges nationally. Staffing numbers have increased significantly since 2019/20 with staff costs now exceeding the funding available in many systems, exacerbated by industrial action costs. At the same time, activity growth has not kept pace, leaving a “productivity gap” that is not yet fully understood. This is further hampered by staff absences and pressures in social care staffing. NHS England has requested that all systems formally review the workforce increases seen over recent years. Many NHS bodies are already recognising an urgent need to manage down their temporary and agency staff costs, and recruit and retain the substantive staff they need to deliver services. There also needs to be a continued focus on quality and ensuring system governance is sound. Learning from public inquiry reports and maintaining high standards of behaviour is key to improving patient safety and building public trust.

These challenges are likely to make 2024/25 another challenging year for all local health services. However, the NHS is focusing on the recovery of core services through continuous improvement in access, quality, and productivity whilst transforming the way care is delivered and creating stronger foundations for the future

Local context

Northampton General Hospital Trust provides acute health services and community services for the residents of Northampton and the surrounding areas. The Trust is part of the Northampton Integrated Care System (ICS) along with Kettering General Foundation Trust and Northamptonshire Healthcare NHS Foundation Trust. The Trust serves a diverse population of approximately 380,000 to 400,000 people. This population is diverse, reflecting both the urban nature of Northampton and the surrounding rural areas. The Care Quality Commission (CQC) rated Northampton General Hospital NHS Trust as “Good” at its last inspection. This rating indicates that the Trust provides services that are safe, effective, and well-led, meeting the high standards set by the CQC. The system is experiencing significant financial pressure resulting in both historic and future forecast financial deficits.

There are two Councils covering Northamptonshire, both experiencing similar financial pressures impacting resources for social care services. This compounds the challenge of providing integrated care services, which support the system objectives of working better together as a system to make Northamptonshire a place where people are active, confident, and empowered to take responsibility for good health and wellbeing, with quality integrated support and services available for them when they need help.

It is within this context that we set out our commentary on the Trust’s value for money arrangements in 2023/24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified to support management in 2024/25.

Financial sustainability



We considered how the Trust:	Commentary on arrangements	Assessment
<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>The Trust identifies its significant financial pressures in the short and medium term and has factored them into its financial plans. The Trust delivered its planned £(15.539) million deficit. The Trust works collaboratively with Kettering General Hospital NHS Foundation Trust (KGH) and collectively form the University Hospitals of Northamptonshire (UHN) Group. The Group deficit was £(18.4) million. Arrangements put in place through the UHN Recovery Group were instrumental in delivering the planned deficit position, approved by NHS England in November 2023.</p> <p>The Trust's 2024/25 financial plan is to deliver a deficit of £(29.5) million and we have assessed the financial assumptions made as reasonable. Along with a £(30.5) million deficit at KGH the UHN group is forecasting a £(60) million deficit. It is recommended that the Trust's Medium Term Financial Plan (MTFP) is updated at a more granular level in years three to five, including any financial benefits from working within a group structure, to illustrate the financial pressures in the medium term and how the Trust is going to repay its deficit over the next three years.</p>	<p>A</p>
<p>plans to bridge its funding gaps and identify achievable savings</p>	<p>There is an overreliance on non-recurrent savings to deliver the efficiencies required to meet the agreed financial deficits. For 2024/25, 39.8% (51.2% in 23/24) of the £22.901 million savings are non-recurrent, and 82.2% of recurrent and non-recurrent efficiencies are classed as opportunities with no clear plans underpinning delivery at the start of the financial year. Robust planning and reporting on the efficiency programme is critical to deliver the required savings for the Trust for 2024/25 and, for future years in the MTFP detailing the longer-term benefits from service redesign and transformation. Effective oversight and challenge by the Board on efficiency plans and delivery is key to an improvement in the Trust's and Group's financial sustainability for 2024/25 and the medium term. We have raised a key recommendation that the efficiency programme needs to be underpinned by robust planned savings schemes with a clear pipeline of delivery within recorded timescales.</p>	<p>R</p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability (continued)



We considered how the Trust:

Commentary on arrangements

Assessment

plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The Trust has integrated its strategic objectives into the 2024/25 budget and financial strategy, aligning with national NHS priorities. The Performance Committee reviews these objectives and the Financial Plan. A business planning process scrutinises service plans and business cases to allocate resources to priority areas. Benchmarking is used to evaluate service costs and identify areas for cost-effectiveness. The Trust utilises tools like Model Hospital, Model System, and GIRFT for efficiency and productivity. Plans to improve SOF ratings are being monitored by a sub-committee of the Board. However, the Trust has also approved undertakings as reported to NHS England and has accepted that there is a failure in arrangements which ensure compliance with the Trust's duty to operate efficiently, economically and effectively indicating a significant weakness in the ability to demonstrate sustainable delivery of services in accordance with statutory priorities.	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 Board is informed about how the revised 2024/25 Financial Plan aligns with system priorities. To achieve a £29.5 million deficit for 2024/25, the Trust must deliver a challenging £22.9 million efficiency programme. Collaboration occurs at both UHL Group and Northamptonshire Integrated Care System levels to address financial sustainability. The Trust is engaged in system redesign and patient pathway changes, including a new Urgent Care Strategy and other significant transformation initiatives.	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	The Trust identifies and manages financial risks through regular reporting to the Board. Financial recovery actions commence early each financial year at both Trust and ICS levels. The Financial Recovery Group, established in 2023/24, meets bi-weekly to address financial risks and controls. Consistent system financial reporting at the ICS level includes analysing the drivers of the Trust's deficit to identify areas for significant financial improvement.	G

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability (continued)



Significant weakness identified

The Trust plans to bridge its funding gaps and identify achievable savings

The Trust has an annual efficiency plan as part of its annual financial planning process. Significant efficiency savings are required each year to meet the agreed NHS England annual financial targets. However, at the start of each financial year the efficiency program is not fully developed.

At the time of our review, based upon the financial plan submitted to NHS England for 2024/25, there is a large proportion, at 82.2%, of unidentified schemes built into the financial delivery. These are currently reported as “opportunities” which will be delivered through service redesign, establishment reviews and a reduction in the use of agency spend.

In 2023/24, the Trust delivered £29.765 million of efficiency savings. £14.528 million (48.8%) of these savings were recurrent with recurrent pay savings of £5.904 million and recurrent non-pay savings of £8.437 million.

For 2024/25, efficiency plans total £22.901 million. Across the University Hospitals Group, there are plans to deliver a total of £41.5 million in efficiency savings as Kettering General Hospital NHS Foundation Trust plans to deliver £18.622 million. The Trusts are working closely together but this represents savings of around 4.3% of expenditure which is in line with the efficiency saving target set by Northamptonshire ICB. Experience informs us that savings of this scale are a significant challenge.

Of the 22.901 million, at 2 May 2024:

- 82.8% (£18.967 million) of the CIP schemes were assessed as high risk with 82.2% classed as “opportunities”,
- 9.8% (£2.248 million) were medium risk, and
- 7.4% (£1.686 million) were low risk.

The majority of high risks schemes in the 2024/25 Financial Plan are opportunities for service redesign and transformation, establishment reviews, and a reduction in agency spend.

However, for 2023/24 the Trust delivered just £1.748 million of agency savings compared to the £5.405 million target and only £4.457 million of establishment review savings compared to the £11.612 million target. This highlights the lack of clarity over planning for recurrent and non-recurrent savings and worked-up system wide initiatives around transformation and service redesign.

The Trust lacks a pipeline of robustly planned saving schemes for 2024/25 and future years. Savings development should be an ongoing process with service redesign and establishment reviews over more than one year. The Trust needs developed projects underpinning its efficiency programme so it can be assured in its effectiveness in delivering the required savings for the agreed deficit in 2024/25 and the repayment of its underlying deficit in future years.

Based upon the evidence we have reviewed, we have concluded that the Trust has a challenging 5% efficiency savings target of £22.901 million in its 2024/25 Financial Plan, but at the start of the financial year, 82.8% of the schemes are red RAG rated high risk as “opportunities”. Arrangements are inadequate and only 60% of schemes are recurrent. We have therefore identified a significant weakness in arrangements.

The Trust plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The undertakings approved by the Board in October 2023 indicate a failure in arrangements which ensure compliance with the Trust’s duty to operate efficiently, economically and effectively. 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 these aspects.

Key Recommendation – 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)



Areas for improvement

How the Trust identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

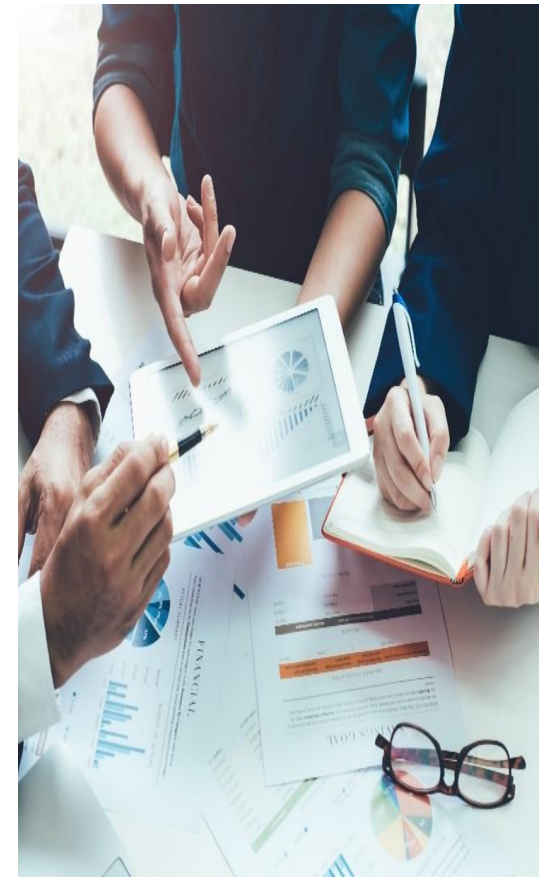
Arrangements for overseeing financial performance against agreed plans have been strengthened through the UHN Recovery Group, overseeing the financial performance of both the Trust and Kettering General Hospital NHS Foundation Trust. This provides greater grip and control through monitoring and holding Executives to account and has been instrumental in curtailing the financial deficits delivered in 2023/24 for both organisations.

Financial pressure is increasing within the system with an increased deficit position forecast within the financial plans submitted to NHS England in May 2024. 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.

Based upon the evidence we have reviewed, we have concluded that whilst financial assumptions within the medium-term financial plan are reasonable, the overall plan lacks a level of granular detail. A detailed MTFP would support wider delivery and ensure that there was greater oversight of when performance is on track or requiring additional action to be taken. This was also a requirement within the undertakings approved by the Board and submitted to NHS England in October 2023. We have therefore raised an improvement recommendation.

Improvement opportunity 1 – 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:

- 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.



Governance



We considered how the Trust:	Commentary on arrangements	Assessment
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’s Board Assurance Framework (BAF) is shared with Kettering General Hospital NHS Foundation Trust, creating one document which manages risks to achieving the strategic objectives. This supports the close partnership working. We noted some differences in the approach each organisation takes to identifying and managing risk which creates some inconsistencies within the single BAF. This is more evident where there are co-owners of strategic risk. The Trust has five of eight strategic risks scoring over 16 (extreme) but little indication as to how these risks are being managed and when. Actions, in the BAF, are required to reduce the level of strategic risk to their “residual risk” scores, but few actions and timescales for implementation are up to date in the latest BAF, presented to the Audit Committee in April 2024, to allow an effective oversight of risk management at Board level. The trust gains assurance from Internal Audit on the effective operation of internal controls and arrangements to prevent fraud and detection. The Trust also needs to update its Anti-Fraud, Bribery and Corruption Policy. The Trust receives bi-monthly assurance reports from Board Committees and an Annual Freedom to Speak Up Guardian report. The Trust is improving the complaints process and has consistently met the 90% complaints response performance target. However, it needs to seek external assurance on mortality arrangements and receive an annual Learning from Death report. We have raised three improvement recommendations in this area.	A
approaches and carries out its annual budget setting process	The Trust maintains a satisfactory annual budgeting process that acknowledges its system-level responsibilities while addressing its own unique challenges. The budget for 2023/24 was discussed with NHS England and underwent adjustments during month 9 to accommodate unforeseen financial pressures and recalibrate the projected financial outcome. The Board plays an active role in scrutinising financial plans and has been informed of progress as budget principles and assumptions have developed.	G
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 financial reports to the Board provide a clear financial position both in-month and year-to-date, with forecasts for year-end. Meeting minutes show focused discussions and challenges on significant variances, indicating a strong grasp of areas needing attention. Our Audit work identified no serious weaknesses or material errors in the financial accounts, although a Section 30 Report was issued on 10 th June 2024.	G

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Governance



We considered how the Trust:	Commentary on arrangements	Assessment
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>The governance of Northampton General Hospital NHS Trust is overseen by a Board of Directors, with sufficient challenge provided by the board and no evidence of inappropriate decision-making. The board committees regularly report to the board on issues discussed in previous meetings, enabling the Boards of Directors to be assured around organisational performance on an exception reporting basis. The board meetings showed evidence of challenge and discussion, with regular updates from the CEO. The Audit Committee also provided effective challenge on various internal control issues.</p>	<p>G</p>
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>The Trust monitors its adherence to relevant guidance and legislation. It has adequate arrangements for leadership roles, responsibilities, and statutory registers as outlined in the Constitution. The Trust's Fit and Proper Persons Policy provides reasonable assurance, with all recommendations completed. The Management of Conflicts of Interest Policy covers Gifts and Hospitality, requiring staff to declare any material interests. Registers of interests for the Board of Directors and decision-making staff are published at least annually on the Trust's website. Tenders requiring a waiver are sent to the Audit Committee for monitoring and approval.</p>	<p>G</p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Governance (continued)



Areas for improvement

How the body ensures that it makes informed decisions and properly manages its risks

Effectiveness of risk management

The Board Assurance Framework (BAF) lacks up-to-date information on the management and mitigation of strategic risks. Specifically:

- There are inconsistencies between the Corporate Risk Register and the BAF, for example UHN03 – Delivery of Nursing, Midwifery and Allied Health Professionals Strategy. There are 14 risks on the Corporate Risk register scoring over extreme scores of 16, yet the strategic risk in the BAF is rated as a score of 12. We would expect such a high level of corporate risks to raise the score of this strategic risk.
- Five of the eight significant red strategic risks score over 16, with little indication of how these risks are being managed or timescales for implementing risk management controls.
- Where there are actions and timescales these are frequently not up to date, making it challenging for the Board to effectively oversee risk management.
- There are inconsistencies in reporting scores and actions, such as differing scores for the same risk and incomplete progress updates. For example, the risk related to the delivery of the Clinical Strategy (UNH02). On page 4 of the BAF, this risk has a score of 20, but on the summary page, it is listed with a score of 16.
- Only 10 out of 60 actions for strategic risks are due for completion in 2024/25, with many actions from previous years not adequately updated.
- A critical risk, the “achievement of the Efficiency Programme” with a score of 25, has not been included into the BAF updates.

We do not consider that this represents a significant weakness in arrangements but is something which the Trust should consider and ensure that improvement opportunities are taken where appropriate.

Improvement opportunity 2 – Update the BAF monthly with consistent risk scores, clear action timelines, and progress updates to ensure effective Board oversight and timely risk mitigation.

How the body ensures that it makes informed decisions and properly manages its risks

Arrangements in place in respect of the prevention and detection of fraud.

The Trust's counter fraud work is managed by TIAA, with an annual plan presented to the Audit Committee in April 2023. Despite regular meetings with key stakeholders and ongoing fraud prevention activities, the Trust's counter fraud policy has not been updated since December 2019.

Our prior year Annual Audit Report (AAR) included an improvement recommendation that the Trust should review its Counter Fraud and Bribery Policy. In response, the Trust indicated that a review and alignment of this policy with the University Hospitals of Northamptonshire (UHN) group standards was part of the 2023/24 anti-crime work plan.

However, this review remains incomplete and was not presented to the Audit Committee as planned in April 2024. This delay in updating the policy poses a risk, as an outdated policy may result in inadequate measures for fraud prevention and detection. Therefore, it is important to update and align the Anti-Fraud, Bribery, and Corruption Policy with UHN group standards by the next Audit Committee meeting.

This does not present a significant weakness in arrangements but does identify an opportunity for improvement and as such we have raised an improvement recommendation.

Improvement opportunity 3 – Update and align the Anti-Fraud, Bribery, and Corruption Policy with UHN group standards by the next Audit Committee meeting.

Governance (continued)



Areas for improvement

How the body ensures that it makes informed decisions and properly manages its risks

Assurance received by the Board

Our review also identified that the Clinical Quality Safety & Performance Committee presents Mortality and Morbidity reports, which are reported to provide reasonable assurance. However, there is no indication that the Board sought external assurance on their Mortality arrangements or received an annual Learning from Death report. This lack of oversight may result in limited monitoring of breaches in mortality performance, such as the timely completion of Structure Judgement Reviews and the identified themes of Learning.

Improvement opportunity 4 – 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.



Improving economy, efficiency and effectiveness

We considered how the Trust:	Commentary on arrangements	Assessment
uses financial and performance information to assess performance to identify areas for improvement	The Trust monitors performance in quality, operational services, workforce, and finance, identifying and discussing areas for improvement. The Integrated Governance Report (IGR) provides comprehensive performance metrics, including reasons for not achieving targets and corrective actions. Data quality is high, with a score of 93.8 out of 100 in NHS England's assessment, supporting accuracy in reporting. The Trust benchmarks against similar organisations using GiRFT and Model Hospital metrics. Data available from July 2022 to June 2023 indicated that the Trust was among the 25% poorest performing organisations for reported incidents resulting in severe harm or death, highlighting the need to learn from better-performing peers. Discussions with the Trust has confirmed that arrangements have already been strengthened with improved reporting and greater scrutiny over incidents of this nature. The Integrated Governance Report reports that overall performance has improved for the Trust. Performance reporting to the Board and Key Committees provides a good degree of assurance against a range of relevant Key Performance Indicators (KPIs). The Trust is aware of the value of comparing its performance with other organisations including through the use of model hospital for trusts and also analysing patient-level data to improve services, and has further work planned in this area in 2024/25. We have raised two improvement recommendations and re-raised one from last year.	A
evaluates the services it provides to assess performance and identify areas for improvement	The Trust responded appropriately to the CQC recommendations following the Maternity Services review, with the Board initially viewing the action plan and receiving early progress updates. However, early slippage in some actions was noted, and there is limited evidence of further updates to the Board or notification of action plan completion. Additionally, improvements are needed in sharing and embedding learning across the Trust. Current arrangements provide some assurance, but further improvement is necessary to ensure the Board receives regular updates and is aware of delays. A review should be conducted to understand and assess the impact of shared learning organisation-wide.	A
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, as part of the University Hospitals of Northamptonshire (UHN) Group, has been collaborating with the University Hospitals of Leicester NHS Trust (UHL). This partnership aims to enhance shared capacity, improve productivity and safety ratings, develop leadership and an inclusive culture, and align their New Hospital Programmes. The CEO of UHL was appointed as Joint/Group CEO across all three trusts in October 2023, and they have agreed to collaborate and prioritise efforts to achieve successes and quick wins in Year One. In February 2024, NHS England assessed the partnership arrangement as "amber" and made a number of recommendations which the Trusts are implementing. Progress on the collaboration will be presented to the Boards as it develops. We will follow this up as part of our 2024/25 work.	G
commissions or procures services, assessing whether it is realising the expected benefits	The Trust's Procurement Strategy, presented to the Trust Board in April 2024, documents satisfactory contract management and procurement processes. The strategy prioritises engagement with the Central Commercial Function (CCF) led by NHSE and collaboration within the ICS and neighbouring trusts. The Trust actively seeks independent advice for procurement processes. Regular updates on efficiencies are provided to the Board, ensuring transparency and accountability in achieving procurement efficiencies and meeting strategic objectives.	G
G	No significant weaknesses in arrangements identified or improvement recommendation made.	
A	No significant weaknesses in arrangements identified, but improvement recommendations made.	
R	Significant weaknesses in arrangements identified and key recommendations made.	

Improving economy, efficiency and effectiveness (continued)



Areas for improvement

How financial and performance information has been used to assess performance to identify areas for improvement

The Trust has a data quality policy that was issued in 2021 and was due for renewal in April 2023. During our review we noted that the Trust is taking steps to try and improve Data Quality by initiating a review on the data quality systems of the trust.

We suggest as part of the review that the Trust produces a data quality policy which details how the Board will be assured that all data is quality checked.

Improvement opportunity 5 – The Trust should produce a data quality policy which details how the Board will be assured that all data is quality checked.

How financial and performance information has been used to assess performance to identify areas for improvement

The Trust benchmarks against similar organisations using GiRFT (Getting It Right First Time) and Model Hospital metrics. Data to June 2023 indicated that the Trust was among the 25% poorest performing organisations for reported incidents resulting in severe harm or death. Discussions with the Trust has confirmed that arrangements have already been strengthened with improved reporting and greater scrutiny over incidents of this nature. The March 2024 Integrated Performance Report highlights this issue, with 18 moderate or severe incidents which is lower than the previous year, indicating a positive trajectory. These arrangement remain in their infancy, and were not in place across the whole year of review. The target remains at zero. We consider that there is scope to ensure that the Board has greater annual assurance over the figures reported and the actions being taken to ensure they are fully validated and remain as low as possible.

Improvement opportunity 6 – 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.

How financial and performance information has been used to assess performance to identify areas for improvement

Our prior year review carried an improvement recommendation that The Trust with KGH should review the Integrated Governance Report (IGR) and consider improvements. Trust management has confirmed that the metrics are aligned to Committees and designed to support in-depth discussion before Board meetings, and the use of the SPC format is considered good practice across the NHS.

An IGR road map was created in September 2023 and set to be refreshed in March 2024. We noted in our review a new document presented along with the IGR named Summaries by Committee IGR which is said to highlight to the Committee salient messages from the IGR metrics by giving a summary of metrics performance derived from the detailed IGR.

We note however in our review that some metrics do not provide information such as reason for not achieving target and what is being done to get back on track. For instance, the metric bank and agency spend under the Finance and Performance committee only has value and current target and a line graph with the trend analysis, but no information is given as found on other metrics such as issues, actions and mitigations.

Due to this being such a key document for the Trust, pulling together performance information, and with undertakings to NHS England approved by the Board in October 2023 specifically referencing operational performance for Urgent and Emergency Care 4 Hour Access, we have raised an improvement recommendation around strengthening the IGR.

Improvement opportunity 7 – 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.

Improving economy, efficiency and effectiveness (continued)



Areas for improvement

How the body uses information about its costs and performance to improve the way it manages and delivers its services

The Trust responded appropriately to the CQC recommendations following the November 2022 review of Maternity Services, with the Board receiving an initial view of the action plan and an update on the early progress of the actions. However, early slippage in the progress of some actions was identified, indicating potential challenges in maintaining momentum and ensuring timely implementation of the recommended changes. There is also limited evidence that the Board has received further updates on the progress of the action plan or been notified of its completion, suggesting a gap in ongoing oversight and accountability.

Additionally, the arrangements for sharing and embedding learning across the wider Trust require significant improvement. While the current arrangements provide some level of assurance, they are insufficient to guarantee that lessons learned from the CQC recommendations are effectively disseminated and implemented throughout the organisation. This lack of robust processes for knowledge sharing and implementation may hinder the Trust's ability to make sustained improvements and prevent similar issues from arising in the future.

To address these issues, it is important that the Board receives regular updates on the progress of the CQC action plan and is promptly informed of any delays or obstacles to its completion. Moreover, a comprehensive review should be undertaken to understand how learning is shared across the organisation and to assess the impact of these efforts. This review should aim to strengthen the mechanisms for embedding learning and ensure that all staff are aware of and act upon the insights gained from CQC inspections. By doing so, the Trust can enhance its overall performance and reduce the likelihood of recurring issues in future inspections.

Improvement opportunity 7 – 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.



**Value for Money
Recommendations raised in
2023/24**



Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<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. 	Key	Financial sustainability	<p>The Trust lacks a pipeline of robustly planned saving schemes for 2024/25 and future years. Savings development should be an ongoing process with service redesign and establishment reviews over more than one year. The Trust needs developed projects underpinning its efficiency programme so it can be assured in its effectiveness in delivering the required savings for the agreed deficit in 2024/25 and the repayment of its underlying deficit in future years.</p>	<p>There is a significant weakness in arrangements in how the Trust plans to bridge its funding gaps and identify achievable savings which places financial sustainability in the short and medium term at risk</p>	<p>Actions: Agreed, this will be taken forward through the Efficiency Steering Group</p> <p>Responsible Officer: Chief Finance Officer</p> <p>Executive Lead: Director of Continuous Improvement</p> <p>Due Date: Mid December 2024</p>

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<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. 	Improvement	Financial sustainability	<p>The system faces growing financial pressure, with an anticipated deficit increase in the submitted 2024 financial plans. The Trust needs detailed and robust strategies to comprehend deficit drivers and cost management.</p> <p>While financial assumptions seem reasonable, the overall medium term financial plan lacks necessary granular detail.</p>	<p>The growing financial pressure and lack of granular detail in the Trust's medium-term financial plan may strain resources, generate operational challenges, create uncertainty, and diminish the Trust's ability to achieve its financial aims.</p>	<p>Actions: Agreed, a Medium Term Financial Plan is required supported by aligned and agreed workforce, operational and performance assumptions</p> <p>Responsible Officer: Chief Finance Officer</p> <p>Executive Lead: Chief Finance Officer</p> <p>Due Date: January 2025 alongside Efficiency plan in December 2024</p>

Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR2 Update the BAF monthly with consistent risk scores, clear action timelines, and progress updates to ensure effective Board oversight and timely risk mitigation.	Improvement	Governance	The Board Assurance Framework (BAF) lacks up-to-date information on the management and mitigation of strategic risks.	Inadequate updates to the BAF may result in insufficient management and mitigation of strategic risks, potentially resulting in the realisation of risks that could have been avoided.	<p>Actions: Agreed and actioned per June Board reports for 24/25 Q1 BAF review – all risks reviewed, all actions clarified with progress updates and target dates reviewed.</p> <p>Responsible Officer: Director of Corporate and Legal Affairs</p> <p>Executive Lead: Director of Corporate and Legal Affairs</p> <p>Due Date: June 2024</p>
IR3 Update and align the Anti-Fraud, Bribery, and Corruption Policy with UHN group standards by the next Audit Committee meeting.	Improvement	Governance	Our prior year Annual Audit Report (AAR) included an improvement recommendation that the Trust should review its Counter Fraud and Bribery Policy. The review remains incomplete and was not presented to the Audit Committee as scheduled in April 2024.	The incomplete review of the Counter Fraud and Bribery Policy may leave the Trust vulnerable to fraud and bribery risks, impacting its financial integrity and reputation.	<p>Actions: Agreed, this will be taken forward through our appointed Anti-Fraud Provider by Autumn 2024</p> <p>Responsible Officer: Chief Finance Officer</p> <p>Executive Lead: Chief Finance Officer</p> <p>Due Date: November 2024</p>

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>IR4</p> <p>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.</p>	Improvement	Improving economy, efficiency and effectiveness	There is no indication that the Board sought external assurance on their Mortality arrangements or received an annual Learning from Death report although this was received by a Committee in Common and exception reporting is in place monthly as necessary.	This lack of oversight may result in limited monitoring of breaches in mortality performance, with limited focus on the timely completion of Structure Judgement Reviews and the identified themes of Learning which are key for further improvement in mortality outcomes.	<p>Morbidity and Mortality report is presented quarterly to the Clinical Quality and Effectiveness Committee (CQEG) and CQSCiC.</p> <p>There is a contract with Telstra Health (Dr Foster) to provide external analysis of HSMR and SHMI and any associated alerts.</p> <p>Actions: An annual Learning from Deaths report will be added to the Board Workplan and presented each year which includes oversight of any backlog in Structured Judgement Reviews.</p> <p>Responsible Officer: Medical Director</p> <p>Executive Lead: Deputy Medical Director</p> <p>Due Date: Autumn 2024</p>
<p>IR5</p> <p>The Trust should produce a data quality policy which details how the Board will be assured that all data is quality checked.</p>	Improvement	Improving economy, efficiency and effectiveness	The Trust data quality policy was issued in 2021 and was due for renewal in April 2023. Currently the Trust is trying to improve Data Quality by initiating a review on the data quality systems of the Trust. The policy should document how data quality is assured.	The incomplete data quality policy renewal and update from the assurance processes review may lead to the inconsistent application of data quality protocols, compromising overall data quality and potentially impacting decision-making and operational effectiveness.	<p>Actions: We already have data quality policies for KGH and NGH which are in date. We are planning to refresh these policies and create a UHN-wide data quality policy.</p> <p>Responsible Officer: Chief Digital Information Officer</p> <p>Executive Lead: Chief Digital Information Officer</p> <p>Due Date: March 2025</p>

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
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.	Improvement	Improving economy, efficiency and effectiveness	The Trust data available nationally compares poorly to similar Trust's in incidents causing severe harm or death, indicating a need for better monitoring and actionable insights for improvement. We recognise the Trust has strengthened arrangements in year but these remain in their infancy.	Poor performance in incidents causing severe harm or death, may lead to reputational damage, legal implications, and compromised patient care.	Following the change in process for the review of harms in the organisation, the ICB performed an external review of this with no concerns raised. Actions: The Board will be sighted on the effectiveness of the revised arrangements and their continued embeddedness through the Patient Safety Report. Responsible Officer: Medical Director Executive Lead: Medical Director Due Date: December 2024
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.	Improvement	Improving economy, efficiency and effectiveness	Our review of the Integrated Governance Report identified that some metrics do not provide information such as reason for not achieving target and what is being done to get back on track.	Without clarity over the actions and impact expected on key performance metrics, the Board does not have fully oversight of performance.	Actions: The IGR needs to be regularly refreshed to ensure it is meeting the needs of UHN. Agreed to refresh the overarching view of the IGR to enable more targeted Board discussion as part of Health Intelligence Transformation Programme. Responsible Officer: Chief Digital Information Officer Executive Lead: Chief Digital Information Officer Due Date: December 2024

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
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.	Improvement	Improving economy, efficiency and effectiveness	Following the CQC review of Maternity Services the Board received an initial view of the action plan but there has been slippage in progress and limited evidence of updates to the Board. Sharing and implementation of learning also requires improvement.	Inadequate oversight and slippage in implementing CQC recommendations for Maternity Services, coupled with ineffective knowledge sharing, may lead to sustained challenges in improving patient care and addressing similar issues in the future, potentially impacting the Trust's reputation and patient outcomes.	<p>Actions: Review of total quality management system at UHN to be commissioned. This will form part of the review for adoption.</p> <p>Responsible Officer: Chief Nurse</p> <p>Executive Lead: Chief Nurse</p> <p>Due Date: January 2025</p>

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

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 directors of the Trust are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is 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



Value for Money arrangements work

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. The Trust's responsibilities are set out in Appendix A.

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 ensuring the Trust makes 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.

2023/24 is the fourth year that we have reported our findings in this way. We undertake and report the work in three phases as set out in the Code.

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.

Information which informs our 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

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:

- **Key recommendations** – the actions which should be taken by the Trust where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the Trust's arrangements.
- **Statutory recommendations** – written recommendations to the Trust under Section 24 [Schedule 7] of the Local Audit and Accountability Act 2014.

Appendix C: Follow-up of previous Key recommendation

Recommendation	Date raised	Progress to date	Addressed?	Further action
<p>KR1 The Trust needs to ensure it agrees credible annual budgets which are based on realistic assumptions and avoid having to change forecast during the year. In order to support the annual budget setting process the Trust needs to develop a Medium Term Financial Plan (MTFP) in agreement with other system partners.</p> <p>The Trust needs to ensure that savings schemes and efficiencies that are included in the budget are fully worked up and realistic and that the Trust is not reliant on non-recurrent funding from the ICB.</p>	Sept. 2023	Some progress has been made as evidenced through the greater system working, closer working within the Group arrangements and marginally improved delivery on savings, although not to the original plan.	No	This is a key area for the Trust and we have raised a key recommendation on savings (see Key Recommendation 1) and an improvement recommendation on the medium term financial planning (see improvement opportunity 1) as part of our 2023/24 review.

Appendix C:

Follow-up of previous improvement recommendations

Recommendation	Date raised	Progress to date	Addressed?	Further action
IR1 The Trust needs to enhance reporting of the efficiency programme to the Finance and Performance Committee in Common. High level information is insufficient given the challenge the Trust faces.	Sept. 2023	Improved reporting implemented for February 2024 Finance and Performance Committee to include type of savings breakdown, cost out and cost avoided. Further review to take place in 2024/25.	Partially	This issue remains critical for the Trust and is covered in part by our Key Recommendation raised for 2023/24.
IR2 The Trust needs to work with the ICB to develop an agreed action plan to move out of System Oversight Framework (SoF) 3 into SoF 2. This should be reported to Finance and Performance Committee and to Trust Board.	Sept. 2023	Q2 segment recommendations reported to the Audit Committee which includes proposed interventions. Segment 3 for the Trust is linked to adverse performance to financial plan and CQC rating of requires improvement. The Audit Committee has oversight of progress against key actions.	Yes	No further progress in segmentation, but arrangements in place are considered adequate.

Appendix C: Follow-up of previous improvement recommendations

Recommendation	Date raised	Progress to date	Addressed?	Further action
<p>The Trust should work with Kettering General Hospital NHS Foundation Trust to:</p> <ul style="list-style-type: none"> re evaluate what the key aim and priorities for collaboration/ Group arrangements are, and the appropriate model launch and engage with all stakeholders across the Trusts to ensure clarity and ownership of the agreed vision and approach implement a structure that can effectively meet those requirements, and which clearly sets out accountability, roles and responsibility develop an implementation and benefits realisation plan, to ensure sustainable long term benefits are delivered and against which performance and outcomes can be measured. 	Sept. 2023	<p>There has been progress throughout last six months of 2023/24 to progress the joint working arrangements with Kettering General Hospital NHS Foundation Trust.</p> <ul style="list-style-type: none"> October 2023 Board received a paper on key enablers across UHN and UHN/UHL November 2023 saw a Governance review undertaken as an area of focus November 2023 agenda item at Joint Board on financial reset November 2023 CEO update to the public board in common highlighted that UHN and UHL executive teams have agreed to collaborate and prioritise their efforts due to finite resources. They have agreed on a set of Year One priorities for FY2024/25, including making the best use of shared capacity, improving productivity and safety ratings, developing leadership and an inclusive culture, and aligning their New Hospital Programmes. The collaboration will be updated to the Boards as it develops, and the teams aim to go further and faster in years two, three and beyond. December 2023 agenda item on Board Governance January 2024 had first Joint private board March 2024 had a Joint board on 2024/25 planning submission 	Yes	<p>This remains a key area for the Trust, but we have assessed arrangements to support the initial governance set up for the closer working relationship as adequate at this time. Progress has slipped against initial timescales with the CEO confirming that this will be a key focus for 2024/25. We will follow up as part of our 2024/25 value for money work.</p>

Appendix C: Follow-up of previous improvement recommendations

Recommendation	Date raised	Progress to date	Addressed?	Further action
IR4 The Trust should review its Anti-Fraud, Bribery and Corruption Policy as it has not been reviewed since December 2019, and if appropriate develop a Group policy with KGH.	Sept. 2023	It was not reported to the April Audit Committee as planned.	No	We have re-raised this recommendation – see improvement opportunity 3.
IR5 The Trust with KGH should review and consider how the IGR could be improved, taking into account: <ul style="list-style-type: none"> the purpose of the report the needs of management/Directors, Trust Board and Committees in Common and if the needs can be met from one report the quality of the data and key performance indicators within the IGR, for example ensuring Accident and Emergency waits are included extend the Patient Data Quality Policy to ensure it covers all data held by the Trust consider producing a common data quality policy across the two trusts. 	Sept. 2023	An IGR development roadmap was created September 2023 on the back of stakeholder feedback, and was monitored monthly. The Trust has confirmed that they will continue to keep a close watch on this report format and refresh as necessary.	Partially	We did not identify any weaknesses in arrangements with the IGR, but noted some improvement opportunities. We also note that this will remain a live format and will consider further in our work next year. Recommendation re-raised – see improvement opportunity 7.

Appendix C:

Follow-up of previous improvement recommendations

Recommendation	Date raised	Progress to date	Addressed?	Further action
IR6 CQC performance – The Trust should assess what changes are required and provided assurance to the Trust Board as to what actions are being undertaken to progress to 'good' or 'outstanding'.	Sept. 2023	<p>The Trust has informed us that they have undertaken work to address outstanding actions in 2023/24. We have assessed progress on this and identified an improvement opportunity.</p> <p>The Trust plans to undertake further work in 2024/25 in relation to:</p> <ul style="list-style-type: none"> the development of a self-assessment framework the development of digital solution for self-assessment framework the development of “Road to Outstanding” enabling strategy 	Partially	Progress has been made but we have identified an area for improvement – See improvement recommendation 7
IR7 Serious incidents resulting in severe harm of death – The Trust should investigate the number of incidents reported and consider and work with KGH to consider how they can be reduced.	Sept. 2023	<p>The Trust has informed us that a Patient Safety Improvement Plan was developed and ratified by the CQEG Group in February 2024. A Trust safety strategy was planned to be approved in May 2024.</p> <p>The Integrated Performance Report for April 2024 presented to the June 2024 Board indicated that performance against this metric, whilst not meeting the target of zero, did have improved and sustained performance from October 2023. The report also notes that the target was set on the average from December 2019 to March 2022 and may require revision.</p>	Yes	No, we have assessed that actions taken have had an impact and the Trust continues to monitor this through it's monthly reporting to Board.
IR8 NHS Staff Survey results – The Trust should develop an action plan against which performance could be monitored.	Sept. 2023	<p>The 2023 Staff Survey received a record response from Trust staff and an action plan will again be developed around the results of the Survey. Whilst the Trust remains slightly below average in the 9 People Promises, there has been an improvement in all elements. In addition, there is an increase in the % of staff that would recommend the Trust as a place to work and a reduction in the % of staff who are thinking of leaving the organisation. Whilst there remains more to do to bring the Trust in line with its strategic aims outlined arrangements put in place to respond to the outcomes in the 2022 NSS have been effective in improving outcomes for the Trust.</p>	Yes	No

Appendix C: Follow-up of previous improvement recommendations

Recommendation	Date raised	Progress to date	Addressed?	Further action
IR9 The Group Procurement Strategy should be approved by the Trust Board.	Sept. 2023	Presented to the Finance and Performance Committee on 27 February 2024 and to the Board on 9 April 2024.	Yes	No
IR10 The information provided to Audit Committee on contract waivers should be improved to enable them to gain assurance on the number occurring each year.	Sept. 2023	This will be included in the Financial Governance report review in April 2024.	Yes	No

