Grant Thornton

Essex Partnership University NHS Foundation Trust

Auditor's Annual Report
Year ending 31 March 2026

June 2026



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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

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Introduction

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

Opinion on the financial statements

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

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

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

Auditor's powers

Auditors of a Foundation Trust have 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 relevant NHS regulatory body.

Auditors of Foundation Trusts also have the duty to consider whether to issue a report in the public interest (PIR), where it is appropriate to do so.

Value for money

Under Schedule 10 paragraph 1(d) of the National Health Service Act 2006, we are required to be satisfied whether the Foundation 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.

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The NHS – context

Rising demand, limited capacity, and a shift toward prevention and community support.

National

Past



Rising demand

Demand for services has grown faster than capacity, with many people unable to access timely care, increasing pressure across mental health crisis, inpatient and community services.



Variable care

Insufficient investment in non-acute intervention and prevention has constrained capacity, driving staffing and skills gaps to support higher demand for reactive care.

Present



Crisis pressure

Persistent mental health crisis demand, alongside limited community capacity, has embedded pressure across local services.



Capacity gaps

Providers are required to improve access, productivity and quality without additional funding, while workforce shortages and rising clinical complexity persist.

Future



System working

Future delivery depends on skilled staff, digital tools and stronger partnerships to provide safe, joined-up non-acute care across the whole system.



Prevention shift

Trust strategies increasingly prioritise the need for early intervention, preventative outpatient pathways and stronger links with primary, and voluntary sector partners.

Local

Essex Partnership University NHS Foundation Trust (EPUT) provides community health, mental health and learning disability services across a large East of England footprint, supporting people living across Essex, Suffolk, and Bedfordshire and Luton. The area served includes communities with marked health inequalities and deprivation, including neighbourhoods ranked amongst the most deprived in England. The Trust was established on 1 April 2017 through the merger of North Essex Partnership University NHS Foundation Trust and South Essex Partnership University NHS Foundation Trust. It continues to operate in a challenging environment, with ongoing pressures on sustainability and service performance, and is progressing improvement activity to strengthen grip, control and delivery.

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

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Local context

This is the first year of our audit work at the Trust. In undertaking our value for money work, we have carried out detailed testing across a range of key arrangements and areas of activity, interviewed a wide range of stakeholders and observed key Trust meetings.

Context

Based on the work performed, we have not identified any significant weaknesses in the design of the Trust's overall arrangements for securing value for money in its use of resources. The Trust has in place a number of established strategies, governance structures and reporting mechanisms intended to support oversight, performance management and improvement. The Trust is, however, operating in a particularly demanding environment and is currently managing a number of large and complex programmes and challenges concurrently. This reflects an organisation focused on continuous improvement, whilst also placing a significant call on senior leadership time and organisational capacity.

These include responding to the Lampard Public Inquiry, implementing a new unified, first of type electronic patient record system, addressing a challenging financial position, and delivering improvement actions arising from regulatory requirements. This is taking place within a wider system context that is itself complex and evolving, including the Trust's role as a large mental health provider within a system also shaped by two acute providers, one of which is facing significant financial and operational pressures, together with three integrated care boards that are themselves undergoing clustering and changes to management arrangements.

The Lampard Inquiry is a statutory public inquiry examining the deaths of mental health inpatients in Essex between 2000 and 2023. It was formally placed on a statutory footing in October 2023, replacing the earlier non-statutory process and giving the Inquiry legal powers to compel evidence where necessary. The Inquiry is considering the circumstances of deaths across relevant NHS providers in Essex, including the Trust and predecessor organisations, as well as wider issues relating to patient care, governance, culture and accountability, with a view to identifying learning and making recommendations for improvement. The Inquiry is expected to continue over a number of years, with further public hearings scheduled for July 2026. Recent published Inquiry materials indicate that the July 2026 hearings are expected to include consideration of the Trust's engagement and compliance with the Inquiry process. In practice, this places an additional and significant demand on the Trust, both in terms of leadership attention and in ensuring that evidence and information are provided in a timely, complete and well-coordinated way in support of the Inquiry's work. The Lampard Inquiry is also having a significant impact on the Trust's cash balances with the majority of Inquiry funding being generated from internal resources.

Findings

The Trust has established a range of appropriate strategies, governance arrangements and oversight mechanisms across key operational areas. These arrangements demonstrate that the Board and senior leaders have sought to put in place the structures needed to support improvement, manage risk and monitor delivery. On this basis, we have not identified any significant weaknesses.

Continued.

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Local context

However, our work identified a recurring theme that, in some areas, the operation of these arrangements is not yet consistently reflected in practice across the organisation. In particular, we saw indications that issues known within services were not always escalated through governance routes in a timely way, that established processes were not always followed consistently at operational level, and that improvements achieved were not always sustained over time. Our review identified small examples within a large and complex organisation, including a Quality Assurance visit not escalating issues then identified by the Care Quality Commission (CQC), and staff behaviour limiting the effectiveness of strong policies and procedures. Therefore, we consider that in places, there is a risk of disconnect between the assurance received at Board level and the position on the ground.

In the context of a Trust managing numerous significant programmes and operational challenges concurrently, this increases the importance of maintaining strong organisational grip over implementation, escalation and follow-through. While we do not consider this to undermine the overall design of the Trust's governance arrangements, it does indicate a risk that emerging issues in individual areas may not be identified, understood or acted upon as early as intended. The Trust should therefore continue to strengthen the consistent embedding of expected practice, support effective escalation from operational services, and ensure that Board assurance is sufficiently triangulated to reflect delivery in practice. Our detailed work highlights six improvement recommendations, reinforcing the need for sustained focus on safety, transparency and learning while recovery work continues.



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02 Executive Summary

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Executive summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Trust's arrangements is set out below. Further detail can be found on the following pages. The financial year 2025/26 is the first year that we have completed the Trust's value for money assessment as their appointed auditor.

Criteria	2024/25 Previous Auditor Assessment		2025/26 Risk assessment	2025/26 Assessment of arrangements	
Financial sustainability	G	No significant weaknesses identified	No risk of significant weakness identified. We identified the need to fully understand the Trust's financial sustainability into the medium term.	A	We have not identified a significant weakness regarding the Trust's arrangements to secure financial sustainability. Due to the significant increase in the quantum of recurrent efficiencies required to deliver the medium-term financial plan, we have raised an improvement recommendation to ensure adequate oversight of savings delivery.
Governance	G	No significant weaknesses identified	Risk of significant weakness identified with regards to the Lampard Inquiry.	A	We have not identified a significant weakness regarding the Trust's governance arrangements. We have identified opportunities for the Trust to further strengthen the overall control environment relating to Inquiry activity and drive forward reductions in procurement waivers. We have raised two improvement recommendations.
Improving economy, efficiency and effectiveness	G	No significant weaknesses identified	Risk of significant weakness identified with regards to continuous improvement and delivering actions required by regulators.	A	We have not identified a significant weakness in the Trust arrangements to improve economy, efficiency and effectiveness. We have identified areas of improvement relating to accountability frameworks, performance assurance and embedding enhancements to the Nova programme. We have raised three improvement recommendations.

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.

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Executive Summary

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



Financial sustainability

The Trust delivered a surplus financial position, supported by agreed deficit support funding. However, this masks significant underlying pressure from operational challenges including high temporary staffing costs, out of area placement expenditure and wider service flow constraints. These pressures are compounded by external factors, notably the Lampard Inquiry and increasing regulatory expectations following CQC scrutiny, which create further cost and delivery risk. While the Trust has a structured approach to identifying and monitoring efficiencies, the scale of recurrent savings required in 2026/27 represents a substantial step change. Overall, the Trust shows reasonable financial grip and a clear understanding of its cost drivers, but financial sustainability depends on successfully managing operational and externally driven pressures while delivering recurrent savings at pace. We have raised an improvement recommendation.



Governance

The Trust has established governance arrangements, with clear structures for oversight, assurance and decision-making. A well-developed Board Assurance Framework, supported by effective committee scrutiny, internal audit and counter-fraud services, underpins a Head of Internal Audit opinion of reasonable assurance. Financial planning, performance monitoring and risk management are well embedded, with transparent reporting, and defined escalation routes for key risks including operational pressures. Financial, operational and quality considerations are aligned. The Board demonstrates a culture of constructive challenge and evidence-based oversight. However, given the significance and scale of the Lampard Inquiry there are opportunities to further strengthen assurance. Further, given the significant increase in waiver activity, we have raised two separate improvement recommendations on these matters.



Improving economy, efficiency and effectiveness

The Trust has arrangements in place to monitor performance, investigate underperformance and act on operational pressures, supported by benchmarking, improving data infrastructure and stronger governance roles. The Trust responds systematically to external feedback, with clear ownership, evidence-based closure of actions and quality assurance processes that have supported improvement. However, assurance is not yet consistently sharp enough. Care Unit accountability meetings do not always provide focused challenge, and other internal quality processes have not always escalated deterioration early. We have raised two improvement recommendations. Alongside this, the Trust demonstrates strong partnership working and contract management, but the reset of the Nova EPR programme now requires tight embedding and close tracking to deliver transformation. A further improvement recommendation has been raised.

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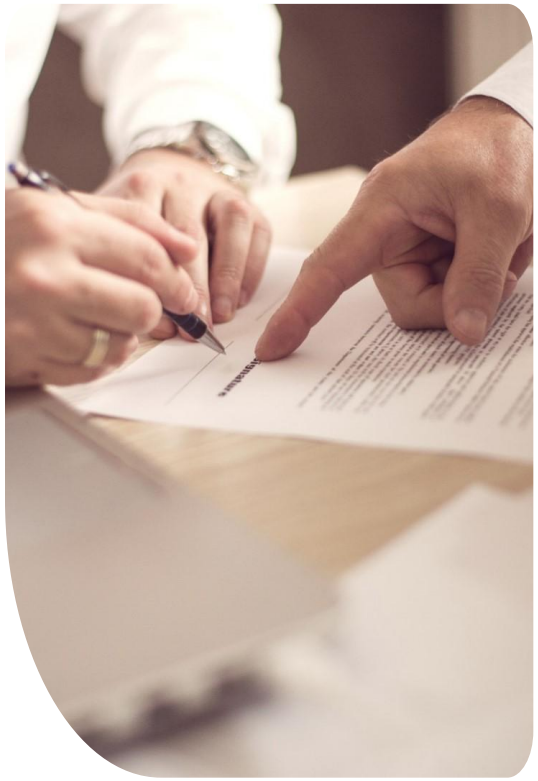
Executive summary – auditor's other responsibilities

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

Auditor's responsibility	2025/26 outcome
Opinion on the Financial Statements	Our audit of your financial statements is on going at this time. We have shared our draft Audit Findings report with management and anticipate that we will issue an unqualified audit opinion on 24 June 2026, following the Audit Committee meeting on 24 June 2026. Our findings are set out in further detail on page(s) x (to x).
Use of auditor's powers	We did not make a referral under Schedule 10 paragraph 6 of the National Health Service Act 2006. We do not consider that any unlawful expenditure has been made or planned for. No other issues have been identified during our work which require us to issue a Public Interest Report (PIR).



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

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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

Our audit of your financial statements is on going at this time.

We have shared our draft Audit Findings report with management and anticipate that we will issue an unmodified audit opinion on 24 June 2026, following the Audit Committee meeting on 24 June 2026.

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

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

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

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

Findings from the audit of the financial statements

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

Draft Financial Statements were of a good standard and supported by working papers and analytical review commentaries.

This was the first year of audit under our appointment, and the audit process operated effectively overall. We received good cooperation from management, with timely access to key staff and supporting working papers. The quality of working papers was of a good standard and supported efficient audit delivery. Whilst some areas required iterative follow-up and refinement, these were typical of a first-year audit and did not have a significant impact on delivery against the agreed timetable.

We identified a small number of audit adjustments during the audit. These were not material, either individually or in aggregate. We have also raised a small number of recommendations to support continued enhancement of financial reporting processes, none of which were deemed to be significant.

As part of our work, we identified the recognition and valuation of the Lampard Inquiry provision as a significant audit risk, given the level of judgement involved in estimating future liabilities and the sensitivity of key assumptions. This was a key focus area in our first year of audit, and we have worked constructively with management to understand and challenge the approach taken. The quality of management's supporting documentation and engagement was good, enabling an effective and timely conclusion in this area.

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Other reporting requirements and use of auditor's powers

Audit Findings Report

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

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 Report and the Staff Report included in the Trust's Annual Report for 2025/26.

These specified parts of the Remuneration Report and the Staff Report have been properly prepared, in all material respects, in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2025/26 (FT ARM). Our work in this area identified no material inconsistencies or misstatements, and any minor presentational or disclosure improvements have been amended by management in the final version.

Annual Governance Statement

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

We have nothing to report in this regard.



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Use of auditor's powers

We bring the following matters to your attention:

Referrals to the Secretary of State

We did not make a referral under Schedule 10 paragraph 6 of the National Health Service Act 2006. We do not consider that any unlawful expenditure has been made or planned for.

Public Interest Report

Under Schedule 10 paragraph 3 National Health Service Act 2006, 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 [insert Trust's name] for 2025/26.

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04 Value for Money commentary on arrangements

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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 National Health Service Act 2006, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



Financial sustainability

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



Governance

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



Improving economy, efficiency and effectiveness

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

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Financial sustainability – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Trust delivered a £0.1m surplus against the 2025/26 breakeven plan, after the receipt of £20.5m Deficit Support Funding (DSF). Delivering to plan demonstrates strong grip and control of expenditure during the year. Within this net position, pay costs were £36.0m above plan, largely offset by additional income of £32.0m. The Trust has reduced temporary staffing costs from £67.1m in 2024/25 to £51.3m in 2025/26, a 24% reduction through increased oversight and challenge of bank and agency use. This is a notable achievement. However, staffing levels were 320 whole time equivalents (WTE) above plan at March 2026. Increased substantive WTE reflects the success of targeted recruitment initiatives that have reduced vacancy risk. Increased bank staff WTE resulted from demand pressures, annual leave and sickness rates at the end of the year. The Trust recognises the risk that increased pay costs have on financial plan delivery and have continued enhanced establishment and vacancy controls to scrutinise workforce growth and manage emerging pressures. This is a key area for continuing grip and control in 2026/27. Financial planning is iterative and the Board and Finance & Performance Committee are provided regular update reports as financial planning assumptions are refined. The Board received a detailed Operational Plan report in April 2026 providing a comprehensive understanding of key financial planning assumptions and activity metrics. The Trust has submitted a breakeven plan for 2026/27, requiring reduced DSF of £6.3m (£20.5m 2025/26). Financial planning assumptions appear reasonable, but delivery of the plan is dependent on significant increases in efficiency delivery. The Trust has submitted a 3-year financial plan that models a trajectory to improved financial sustainability, providing for a breakeven position in 2027/28 and a surplus position in 2028/29, with no requirement for DSF in either year. The Trust's underlying deficit is projected to reduce from £20.5m in 2025/26 to a surplus of £2.8m by 2028/29. We have not identified any risk of significant weakness in financial planning arrangements. We comment more on efficiency plans elsewhere in this report.	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.

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Financial sustainability – commentary on arrangements (continued)

We considered how the Trust:	Commentary on arrangements	Rating
plans to bridge its funding gaps and identify achievable savings	The Trust delivered 96% of the savings target for 2025/26, but recurrent savings delivery was 11% below the level planned. In order to deliver the 2026/27 financial plan, the Trust must realise an ambitious savings target of £47.1m, representing 6.8% of operating expenditure. Recurrent savings, which reduce the Trust's run rate and help address the underlying deficit, need to increase by £20.3m (85%) compared to the value secured in 2025/26. There is a Trust-wide approach to delivering efficiencies, including appropriate governance, a Transformation Team and Efficiency Improvement Plan Policy. We have not identified any significant weakness in arrangements. Due to the significant increase in recurrent efficiencies required to deliver the financial plan and the increased risk this presents, against the context of under-delivery of recurrent efficiencies in 2025/26, we have raised an improvement recommendation to ensure that oversight of savings delivery keeps pace with the increased savings target.	A
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The Trust can demonstrate that strategic objectives are reflected in financial plans. The Strategic Plan review undertaken during summer 2025 provided organisational direction underpinned by strategic shifts relating to use of data for prevention and improving care, integrated delivery of care and becoming a trauma-informed organisation. The review recognised significant capacity, performance and financial pressures impacting the Trust, with finance identified as an enabling function to deliver strategic priorities. Operational and financial plans reflect key strategic priorities relating to flow and workforce that also impact financial sustainability and are reflected within savings plans. These include eliminating inappropriate out of area placements, reducing length of stay, reducing reliance on temporary staffing, and transforming corporate services. The Trust can evidence an understanding of cost pressures through routine financial reporting to the Finance & Performance Committee and targeted intervention through management action in response to high-cost drivers such as temporary staffing and out of area placements.	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.

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Financial sustainability – commentary on arrangements (continued)

We considered how the Trust:	Commentary on arrangements	Rating
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 develops financial plans aligned to its key strategies and triangulates workforce, activity, performance, and financial metrics to ensure consistency. This is underpinned by key enabling strategies (e.g. People & Education, Quality of Care, Estates and the Green Plan) that set planning assumptions and governance expectations which flow into business planning, budget-setting and in-year monitoring. The 5-Year Delivery Plan reflects the Estates Strategy with priority actions identified to mitigate the risk of constrained capital funding. These actions include increased utilisation of estate, rationalisation of surplus estate and reducing backlog maintenance. The Lampard Inquiry also has both direct and indirect costs. The Trust approved the Green Plan 2026-29 in January 2026 which sets out ambitions to reduce carbon emissions, reduce wate and mitigate against climate change risks. The Plan sets out milestones and key performance indicators to deliver the strategic objectives, supported by the Sustainability Manager, Green Champions Group and reporting to the Finance & Performance Committee. Priority investments are identified as electric vehicle charging infrastructure, renewable energy, heat decarbonisation and climate change mitigation. As with many Green Plans, delivering net zero will require significant funding, which is yet to be secured. The Trust will have to use annual capital allocations, invest to save projects and seek alternative funding through grants and partnership working in order to deliver net zero. The links to the Green Plan can however be seen in the Trust's capital programme, with the Trust already having secured funding for electric chargers, solar panels and building management systems. System-agreed assumptions are tracked, with outturn and cash forecasts refreshed as assumptions change. NHS England guidance, commissioner contracts and wider system decisions are reflected in financial plans as they evolve (including out of area and baseline changes), and the Finance & Performance Committee provides oversight and challenge as assumptions continue to shift until the plan is finalised and agreed with NHS England.	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.

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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	There are adequate arrangements in place to manage financial risk, evidenced by the Trust delivering a £0.1m surplus in 2025/26 against the breakeven plan. The Trust monitors financial resilience risks through the monthly finance report to the Finance & Performance Committee, supported by regular performance updates, Executive narrative and Board Assurance Framework deep dives, enabling visibility of what is changing and why across income, workforce and temporary staffing, savings delivery, cash and capital. The Committee strengthens this oversight by quantifying key risks, reviewing the "net risks position", and stress-testing assumptions impacted by system factors (including DSF and commissioning changes). This is complemented by independent external challenge to drive escalation, agreed actions and follow-up where needed. For 2026/27, the Committee received regular planning updates and considered scenario-style modelling and forecasts on length of stay and out of area unification, recognising these as material cost pressures that require system-level solutions. Sensitivity analysis through identification of weighted impact upside and downside scenarios for key financial assumptions are included as part of the financial plan submission, further quantifying financial risk.	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.

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Financial sustainability (continued)

Area for Improvement identified: identifying and delivering recurrent savings

Findings: The Trust delivered 96% of the total efficiency target for 2025/26, but recurrent savings delivery was below target. There is an organisational-wide approach to identifying and delivering efficiencies and we have not identified any significant weaknesses in arrangements. However, there is significant risk to the delivery of the 2026/27 financial plan due to the ambitious savings target at 6.8% of operating expenditure and the step-change in the level of recurrent efficiencies required. We have raised an improvement recommendation to ensure that oversight and challenge of savings delivery keeps pace with the increased savings target.

Evidence: As set out in Table 1, the Trust delivered £30.1m of efficiencies in 2025/26, equating to 96% of the target. Recurrent savings delivery was £3.1m below target (11%) which was partially mitigated by additional non-recurrent savings. We note the full year effect of recurrent savings was £0.4m higher than in-year delivery. While this represents good performance in delivering total planned efficiencies, under delivery of recurrent savings has an adverse impact by increasing savings targets in future years in order to address the underlying deficit.

One of the key areas of efficiency under-delivery relates to out of area placements, where none of the planned £5.8m savings were achieved. The continued demand for mental health inpatient services and high bed occupancy has not enabled a reduction in out of area placements. An exacerbating factor is system capacity and the availability of social care packages and step down or complex discharge pathways. Improvements to length of stay and flow will require working with system partners to create sustainable care pathways and sufficient capacity. The Trust has established a Flow Recovery Programme, commissioning an expert flow review and with seven workstreams now focusing on the front door and admission pathways. The Trust is participating in the Out of Area Unification Project with system partners to model cost, capacity and demand, and unify commissioning, management and budget arrangements to provide better care at reduced cost.

Table 1: Cost Improvement Programme

	Recurrent	Non-recurrent	Total
	£m	£m	£m
2025/26 Plan	27.1	4.2	**31.3**
2025/26 Actual	24.0	6.1	**30.1**
2026/27 Plan	44.3	2.8	**47.1**
2027/28 Plan	31.6	6.0	**37.6**
2028/29 Plan	24.4	0	**24.4**

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Financial sustainability (continued)

Area for Improvement identified: identifying and delivering recurrent savings (continued)

Evidence (continued): The efficiency target for 2026/27 is £47.1m, and 94% is planned to be delivered recurrently. The total efficiency target is a 56% increase from total efficiency delivery in 2025/26, and the recurrent efficiency target is an 85% increase to prior year delivery. Therefore, there is a step-change in the level of total and recurrent efficiencies required to deliver the 2026/27 plan, and the target is ambitious at 6.8% of operating expenditure compared to 4.4% delivered in 2025/26. At the time the plan was submitted we note that while 50% of schemes were high risk, there were no unidentified schemes. Provided recurrent efficiencies are delivered as planned in 2026/27, the efficiency targets for 2027/28 and 2028/29 reduce.

Savings targets for 2026/27 include efficiencies for key cost pressures, including agency staff (£11.2m), and out of area placements and reducing length of stay (£6.2m). The Trust aims to eliminate inappropriate out of area placements by March 2028 and reduce length of stay in line with national targets.

There is an organisation-wide approach to identifying and delivering efficiencies. This includes a Productivity Recovery Programme to reduce reliance on temporary staff, redesign pathways to support the shift from hospital to community and reduce length of stays. There is a Transformation Team in place who support a portfolio-led approach to delivering transformation and use standardised tools, documentation and guidance to ensure a consistent approach across the Trust. The Efficiency Improvement Plan Policy ensures a robust approach to identifying savings, ensuring appropriate operational, finance and clinical involvement in developing plans and consideration of quality and equality impacts of proposals. Going forward, the Transformation & Efficiency Group will have responsibility for development and sign-off of all programmes and will monitor delivery and benefits realisation, to provide appropriate assurance to the Executive Committee, Finance & Performance Committee and ultimately Trust Board.

Impact: The Trust must significantly increase the levels of recurrent savings required to deliver the 2026/27 financial plan. Recurrent savings are critical to addressing the Trust's underlying deficit and achieving the trajectory to improved financial sustainability as set out in the medium-term financial plan.

Improvement Recommendation 1

IR1: The Trust should ensure that the oversight and challenge through the Transformation & Efficiency Group is robust and sufficient to keep pace with the increased level of savings required to deliver the 2026/27 efficiency target. Sufficient assurance should be provided to the Finance & Performance Committee that savings delivery is on track with escalations to the Board clearly set out to enable slippage and non-delivery risks to be appropriately managed.

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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 established risk management arrangements in place, with appropriate oversight and governance. This includes a well-established Board Assurance Framework with regular Board assessment. There are effective internal audit and counter-fraud services in place delivered by TIAA, with the Head of Internal Audit Opinion for 2025/26 identifying that the Trust had "reasonable risk management, control and governance processes in place". Nevertheless, in light of the scale and significance of the Lampard Inquiry, we consider that the Trust should consider expanding its assurance coverage with regards to Lampard-related matters and as a minimum directing some time for Internal Audit to provide assurance over controls. Further detail on the Lampard Inquiry is on pages 27–31. Additionally, the 2025 NHS England Staff Survey results, reviewed by Board in April 2026, indicate encouraging progress across certain key metrics. Sustained effort and focused action are still required to build on these gains and drive further improvement, however the Trust can evidence proactive action in recognising and addressing cultural issues, as a result, no recommendation has been raised.	G
approaches and carries out its annual budget setting process	Budget setting arrangements follow the NHS England annual planning cycle, with Finance and budget holders developing plans that are scrutinised by the Finance & Performance Committee. The Board delegates authority to the Committee to approve the final Operational Plan in accordance with national deadlines. Assurance is provided via Board Assurance Statements (updated in response to NHS England challenge) and CEO/CFO self-certification in the Financial Planning Return. The process uses staged submissions, triangulates activity/workforce/finance, and includes quantified sensitivities and DSF plan-limit rules. Overall, The Trust's financial planning arrangements have been adapted effectively in line with the new NHS England Planning framework which has seen a significant shift from annual budgeting to medium-term financial planning.	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.

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Governance – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	In-year budget monitoring and reporting provides a clear view of the Trust's financial position, supported by monthly reporting to the Finance & Performance Committee covering performance against plan, forecast outturn, risks, and cash and capital implications. Reporting combines dashboards and narrative to highlight key cost drivers and mitigating actions. Governance arrangements include defined escalation routes, with evidence of risks being appropriately escalated to the Board, including those related to DSF and the Inquiry. Cost control and efficiency are managed through established oversight groups and procurement approaches, particularly to address out-of-area placement pressures. The Board also considers a Quality & Performance Scorecard which includes financial performance metrics alongside non-financial metrics, further complimenting the Trust's oversight of financial performance. Within a later section of this report, we consider the Trust's absence management arrangements and within this, offer insight to how the Trust could enhance management information even further to support the containment of temporary staffing costs.	G
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	The Trust structures decision-making around evidence and transparent scrutiny by routing detailed assurance through Board committees and then reporting to the Board using the Assurance / Information / Alerts / Actions framework, supported by standing agenda items for declarations of interest and formal action tracking. The Audit Committee strengthens challenge and accountability by interrogating Internal Audit, External Audit and Counter Fraud reports, highlighting overdue recommendations, agreeing clear owners and deadlines, and requiring updates at subsequent meetings via a live action log. Board minutes also record open challenge and follow-up actions, including transparent discussion of staff voice, Freedom to Speak Up (FTSU) and risk/assurance updates, reinforcing a culture of evidence-informed oversight.	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.

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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 Annual Governance Statement provides the Board with a summary of the Trust's legislative and regularity assurance arrangements, describing the governance and committee structure, the risk management framework and provider-licence compliance, which are assessed as adequate. An annual review of governance principles and standards is completed by the Executive Team, and a provider-licence compliance self-assessment is reviewed by the Finance & Performance Committee. Compliance is reinforced through induction and mandatory training, and learning is driven via incident and near-miss reporting and the application of quality impact methods. Management have identified two significant internal control issues during the year (the resource and oversight impacts associated with the Lampard Inquiry, and the CQC Section 29A warning notice), with strengthening actions in place. These arrangements are supported by a formal Governance Manual, underpinned by policies and procedures, and controls for declarations and conflicts of interest aligned with counter-fraud and anti-bribery arrangements and FTSU. The Trust also has qualified procurement capacity, supplemented by external specialist support where required, and maintains specialist compliance groups (for example safety, ligature, medical devices, capital, estates and ICT). The Audit Committee continued to receive regular waiver reports to provide governance and oversight to when normal procurement process cannot or have not been applied. This is in addition to weekly waiver reviews at Executive level. The careful monitoring of waiver usage fosters transparency in decision making. However, we do note that in 2025/26, there was an increase in both the volume and value of waiver activity, and we have identified an improvement opportunity on pages 32 – 33. Given the significance of the Lampard Inquiry, we have undertaken additional procedures, which are set out in the pages 27 – 31.	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.

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Detailed commentary: The Lampard Inquiry

We considered the Trust's arrangements to respond to the Lampard inquiry, considering whether the Trust has established arrangements: to ensure sustained focus and oversight at Board level, manage related risks, and systematically collate and implement any learning relevant to its ongoing arrangements and organisational culture.

Sustained prioritisation with visible Board ownership and oversight

Our review indicates that the Trust recognised the Inquiry as a priority at Board level and established formal governance routes for reporting to the Board. The Inquiry appeared as a standing Board item, was reflected across multiple Board committees including the dedicated Lampard Inquiry Oversight Committee and was recognised on the Board Assurance Framework as a strategic risk. The Trust also established defined senior leadership accountability, with a dedicated senior responsible officer (SRO) role and a structured programme model in place, particularly as the year progressed. Interviews with senior officers indicated strong organisational support for the Inquiry, with a shared recognition that it provides an important opportunity to strengthen the visibility and prioritisation of mental health services and drive wider improvement.

There were, however, issues with the Board's grip of process and progress beneath this structure. Board and committee coverage did not translate into sufficiently clear visibility over delivery pressure, operational risk and the extent of the organisational strain on resources. Our review of Committee minutes found that most meetings considered aspects of Lampard (financial, delivery, safeguarding and performance).

Oversight became stronger towards the end of 2025 when the Lampard Inquiry Oversight Committee was ceased in December and replaced by an update report directly to Private Board. A new Project Director was appointed in January 2026, and reporting became more structured and more data-led, whilst Trust's responses to Inquiry requests were reshaped to follow project management office principles. The year-end position was therefore one of improving oversight, rather than effective oversight throughout the year. However, that strengthening followed a period in which governance arrangements had not provided enough control over a rapidly expanding workload. The Inquiry's methodology and requests have been progressive and difficult to anticipate, impacting the Trust's ability to plan resources effectively and meet increasing demand. Additional resource was secured from March 2026. We note there has been no Internal Audit review in the Audit Plans we have seen, indicating a missed opportunity to obtain an impartial review of controls in place.

The Board prioritised the Inquiry, but reporting was insufficient to understand the wider risk, understand where capacity was insufficient, and what action was needed. This became more than an internal governance concern when the Inquiry itself made public statements in April 2026 around the Trust's engagement, contributing to the refocusing of its July 2026 hearing. Overall, we have concluded that arrangements to support delivery of the Lampard Inquiry requirements were in place, but operating effectiveness did not keep pace with the Inquiry demands for a sustained period of 2025/26. Arrangements have now been strengthened to address immediate pressure.

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Detailed commentary: The Lampard Inquiry

The Lampard Inquiry was a live strategic risk in 2025/26, not simply because of its subject matter, but because of the operational and organisational pressure generated by the Trust's response. Demand increased sharply during the year.

Risk management

A "Rule 9" statement is a formal written witness statement provided to a public inquiry. It sets out an organisation's account of events and is given in response to specific questions from the Inquiry, forming part of the evidence considered. Rule 9 requests rose significantly, the work became more historically complex, and the Trust also had to begin handling substantial case summary factual accuracy work in preparation for future hearings. This was made clear to the Board through detailed reports which were taken in private.

This placed pressure on several parts of the organisation at once, impacting leadership capacity requiring the Trust to balance the demands of the Inquiry against the operational reality of continuing to run a large mental health and community trust. These pressures were visible in Inquiry governance and risk reporting during the year.

The Trust did allocate additional resources, including programme support and external assistance. By late March 2026, the Trust reported that Rule 9 throughput exceeded intake, the backlog, including all lines of inquiry, was addressed, and no Rule 9 responses were overdue as at 25 March 2026, and case summaries were reported to be within the Inquiry's timescales. These are signs of recovery and stronger operational control.

However, the improvement came late in the year and did not remove the underlying resilience risk. The Inquiry's public timetable showed that the pressure would continue into 2026 and 2027, shifting from high-volume evidential response into thematic hearings, further family evidence, and wider issues of accountability, culture and system learning. The risk at year-end was therefore still live and it is not yet clear whether the strengthened model will remain effective over time as the Inquiry entered a more demanding and more publicly sensitive phase.

The Inquiry has publicly indicated concerns regarding the Trust's engagement with the Inquiry process, including matters relating to the timeliness and completeness of information provided. Public Inquiry updates also indicate that these issues have had an impact on the Inquiry's programme, with the July 2026 hearing refocused in part to consider engagement and compliance issues.

Taken together, this indicates that the Trust's response to the Inquiry remained a live organisational resilience issue at year-end, requiring sustained Board oversight to ensure that operational delivery, governance and external commitments could continue to be managed in parallel. This was particularly important given the scale of other strategic and operational pressures facing the Trust during the period.

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Detailed commentary: The Lampard Inquiry

Our review indicates that the Trust had begun to respond on that basis. Its arrangements were moving beyond disclosure alone and were starting to reflect the wider organisational consequences of the Inquiry.

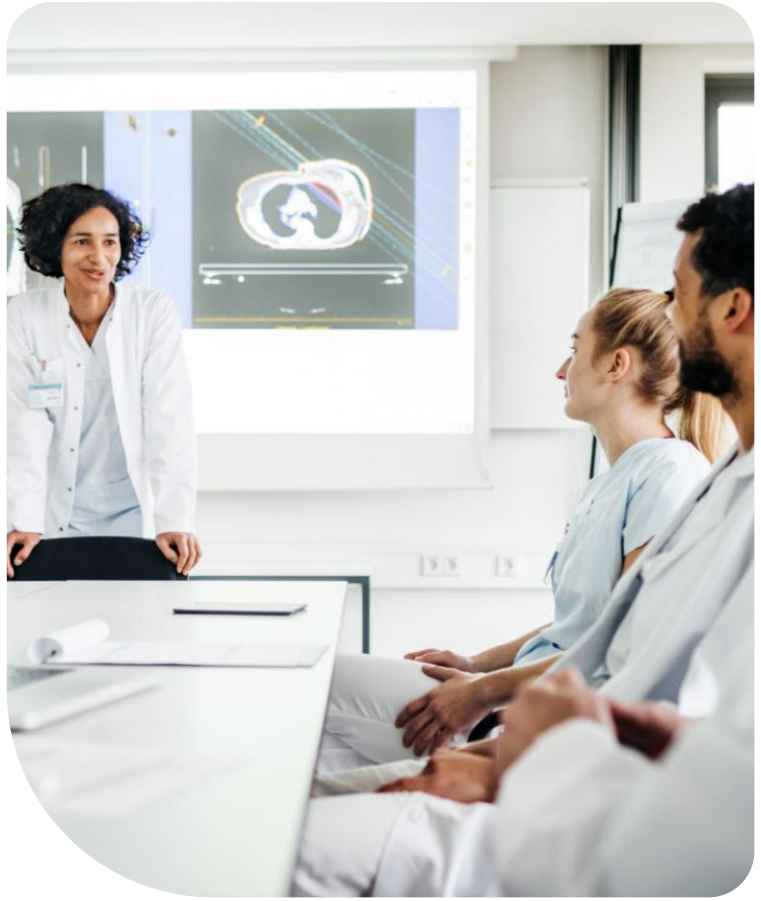
Identifying and implementing lessons from the review

The Inquiry is not confined to historic events. Its published statement of approach makes clear that it is examining systemic issues, the extent to which providers acted on earlier recommendations, and whether concerns were remedied or repeated over time. It links individual cases to wider themes such as record-keeping, staffing, training, family engagement and ward culture.

In April 2026, the Inquiry also stated that emerging issues to be considered in July could inform interim recommendations, including in relation to observations and technology and to resuscitation. This gives the Inquiry direct relevance to current governance, culture and patient safety arrangements, not just to events in the past.

Governance reporting identified inquiry themes where services or practices could be improved ahead of formal findings, and committees considered issues raised by the Inquiry in areas such as safeguarding, people and culture, financial impact and resilience. The Trust had also established a specific transformation programme theme linked to the Inquiry, with a stated aim of improving practice and reducing the risk of inpatient deaths. Senior leaders are engaged in delivering on this.

However, the line from Inquiry themes to current control review, routine assurance and tracked organisational learning is not yet sufficiently clear. The issue at year-end was not a lack of awareness that the Inquiry had current relevance but that the Trust could not yet show, in a single and visible way, how themes emerging from the Inquiry were being translated into present-day governance action, tested against existing controls, and followed through to completion. This is particularly important in the context of an Inquiry whose published approach is explicitly concerned with whether earlier warnings and recommendations had already been acted on.



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Detailed commentary: The Lampard Inquiry

We have considered arrangements against expected outcomes to indicate where there are strengths and areas for improvement.

Timely and complete disclosure

There is evidence of the Inquiry's concerns relating to timely and complete disclosure, including the Trust's ability to meet Rule 9 timelines.

By late March 2026, the Board reporting shows improved delivery performance, with output exceeding intake and no backlog.

There were clear deficiencies earlier in the year in delivering timely and complete disclosure. Evidence at year-end indicates improving compliance and operational grip, though this improvement is relatively recent.

As at 25 March 2026, the Trust reported no overdue Rule 9s, with a controlled caseload and improving turnaround times.

Performance was not consistently effective during the year, with reliance on extensions.

There is clear evidence of recovery and improved compliance by year-end.

Quality of disclosures and resourcing

There is limited direct evidence in Board reporting demonstrating how disclosure quality is monitored beyond throughput. Internal evidence confirms rapid escalation in demand and that the Trust had to reactively increase capacity.

The Trust has since implemented additional staffing and support models, including external resource and structured programme teams.

While operational throughput has improved, quality assurance arrangements are less clearly evidenced.

Initial capacity planning was insufficient for the scale of demand. The Trust has responded appropriately and strengthened resourcing, though under significant pressure.

The Trust responded appropriately to rising demand by increasing resourcing, but evidence of disclosure quality assurance remains less clear than throughput reporting.

Board level grip / organisational resilience

Lampard has formal governance oversight with regular reporting and risk management in place.

There is evidence of dedicated support arrangements for staff, patients and families affected by the Inquiry.

Reporting recognises the impact on leadership time, capacity and burnout risk, with escalation to Board and People Committee. Reporting also identifies sustained demand and complexity.

Governance structures are in place and developing to keep pace with Inquiry demands.

The Trust has recognised and responded to wellbeing and resilience risks, but external scrutiny means resilience remains a risk, relying on additional resource and management action.

Board oversight is established but the continuing scale of the Inquiry means that organisational risk remains a live risk.

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Detailed commentary: The Lampard Inquiry

While arrangements are now improving, they remain partially effective and rely on continued management intervention, with further work required to ensure sustainable and embedded delivery.

Conclusion on arrangements in 2025/26 and recommendation.

The Trust had formal arrangements in place to manage its response to the Lampard Inquiry during 2025/26, including Board oversight, senior accountability, programme support and recognition as a strategic risk. However, these were not consistently effective in managing the scale and complexity of demand, particularly in relation to disclosure timeliness, quality, resourcing and Board visibility. Performance improved by late March 2026, with backlog reduction and strengthened capacity.

A key lesson from 2025/26 is that the Inquiry should not be viewed solely as a disclosure and evidence exercise, but also as a source of organisational learning. The refocusing of the July 2026 hearing onto emerging issues, including the Trust's engagement and compliance, reinforces the need to translate its Inquiry response into stronger internal learning, clearer accountability and earlier identification of risks.

Our improvement recommendation therefore focuses on strengthening the underlying control framework to ensure sustained, embedded and resilient delivery.

Improvement Recommendation 2

The Trust should strengthen its overall control framework for delivering evidence to the Lampard Inquiry to ensure it can provide a response which is not only timely, but also accurate, transparent, sustainable and capable of learning as it goes. This should include:

- a formal capacity planning approach that sets out the core resource required, the additional capacity needed during periods of increased demand, and clear triggers for escalation, so that staffing decisions are planned in advance rather than made in response to emerging pressure;
- a stronger and more clearly evidenced quality assurance process for disclosure, including defined review stages, named sign-off responsibilities and routine exception reporting, to provide greater confidence that submissions are accurate, complete and reliable;
- a single, Board-facing performance and assurance dashboard, providing clear visibility of delivery against timeliness, quality, risk and workforce pressures, enabling earlier identification of issues and more effective oversight.
- renewed arrangements for oversight of learning and quality, so that the Trust can demonstrate not only that it is meeting the Inquiry's requirements, but also that it is identifying lessons and acting on them as the Inquiry progresses; and
- independent assurance, including internal audit review, to provide objective scrutiny of whether the Trust's arrangements are operating effectively in practice and to support the Board with assurance that risks are being identified early rather than only once problems have escalated.

We will keep this position under review as the Inquiry progresses.

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Governance – improvement recommendation

Area for Improvement: compliant procurement processes

Findings: The Trust has in place arrangements to carefully track and report on waiver activity. The Trust has identified that procurement waivers (where normal procurement processes cannot or have not been applied) have significantly increased in 2025/26.

Evidence: Audit Committee reviewed waiver reports, later renamed as procurement breach reports, at each meeting throughout 2025/26. Procurement breach reports are well-structured and provided a clear overview of procurement breaches. Data is set out in a transparent and accessible format, including tables outlining the number and value of breaches with comparative data to the prior year. In addition to this, the rationale for breaches is articulated, and further broken down by service area.

This level of detail within the procurement breach report evidences the wealth of business intelligence available to Trust in this area of regulated activity.

In March 2026, the procurement breach report, considered by the Audit Committee, indicated a steep rise in breaches. The report set out that in 2024/25, there were 88 waivers used in total, with a total value of £3.8m. As at the end of January 2026 (month 10) , the Trust had already exceeded this with 120 waivers that had a value of £10.1m. This is a significant year-on-year increase, being driven by the four-month period between October 2025 and January 2026. In this period, 38 waivers were submitted with a total value of £6.5m. The Trust has identified the key drivers behind the increase, noting that in many instances, breaches were necessary due to timescale constraints that prevented the completion of a full tendering process. Of the total waiver activity over the period, 83.8% related to the Trust's capital activities, due to the Trust's acceleration of its capital programme and responding to NHS England capital approval processes and funding constraints.

The breaches report explained work is ongoing to ensure the Trust establishes and maintains compliant processes to reduce the level of breaches whilst being able to access the market expediently to support bidding for external capital.

(continued)

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Governance – improvement recommendation



Area for Improvement: compliant procurement processes

Impact: The Trust is taking action to reduce the number and value of waivers relating to capital activities. This is important as it will support the attainment of value for money in procurement activity whilst reducing supplier and compliance risk. The Audit Committee should receive further assurance in relation to this specific activity in order that improvement can be tracked.

Improvement Recommendation 3

IR3: The Trust should provide a more detailed update to Audit Committee on the actions being taken to strengthen and formalise compliant procurement processes within a particular focus on increasing procurement compliance relating to capital expenditure.

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Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	The Trust has a range of arrangements to oversee performance. Any issues identified are subject to regular scrutiny through Board and committee structures, with F&P undertaking targeted deep dives into areas of underperformance such as flow and capacity, length of stay and waiting times. These reviews have been used to understand root causes, consider external expert input and monitor the implementation of recovery actions. The Trust has also demonstrated that it can respond proactively where operational pressures are identified, for example by refreshing recovery plans and using peer review findings to inform action. Absence management has been a focus, and we raise some insight on page 43. An insight has also been raised for the Trust to enhance performance reporting on page 44. The Trust monitors its position within the NHS Oversight Framework and uses this, alongside other benchmarking information, to compare performance against peers and identify opportunities for improvement. Arrangements for data quality are in place. The Trust has a Data Quality Policy (which has recently expired), a Data Quality Improvement Programme with oversight through the Finance and Performance Committee and Audit Committee. The Data Quality Maturity Index score is 90.1, just below the target of 95. The Trust has also invested in infrastructure such as a unified cloud-hosted data platform and Power BI dashboards to support triangulation of performance, quality and patient safety information. Additional arrangements include a DSPT Data Quality Assurance Framework, work with system partners to strengthen consistency of data quality practice, and new dedicated data governance roles. The Accountability Framework which supports devolved responsibilities to the Care Units is a well-established and valued forum, with strong attendance, visible Care Unit ownership and increasingly integrated discussion across the five domains. However, observations indicate that the current format is not consistently delivering focused assurance in practice. We have raised an improvement recommendation, see pages 37-38.	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.

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Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
evaluates the services it provides to assess performance and identify areas for improvement	The Trust has established a structured and centrally managed approach to responding to external feedback, including Care Quality Commission (CQC) findings, regulatory requirements and learning from Prevention of Future Deaths investigations. A single overarching action plan is in place, with named owners, deadlines and regular monitoring through a clear governance route from Care Groups to Executive oversight and the Board. Actions are supported by a formal evidence assurance process, which requires action owners to demonstrate not only completion but also that improvements have been embedded before actions are formally closed. These arrangements are underpinned by standard operating procedures and received substantial assurance from Internal Audit during the year. The Trust has also introduced a range of quality assurance processes, including quality assurance visits, patient safety visits and peer review, alongside arrangements to share learning across services. These arrangements have helped the Trust respond to regulatory concerns and demonstrate improvement in some services. However, a recent inspection shows that further improvement is needed to ensure deteriorating quality is identified and escalated quickly and consistently, particularly where internal quality assurance processes did not fully identify or escalate all significant concerns at an early enough stage. We have raised an improvement recommendation, see pages 39 – 40. The Trust also monitors its NHS Oversight Framework (NOF) position through regular performance oversight arrangements. During 2025/26, its segment rating declined, largely due to concerns in the access to services domain. The Trust took steps to investigate potential data anomalies with NHS England and its position improved by year-end to segment 3. It will remain in this segment being capped by the Trust's financial deficit.	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.

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Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	The Trust places a strategic focus on partnership working as evidenced by key themes with the Trust's Strategic Plan 2023-2028. During 2025/26, the Trust undertook a mid-term review of this Plan, which involved engagement with a wide range of partners to ensure strategic priorities remained relevant and deliverable. Themes of co-production also feed into the development of the Trust wider strategic suite. The Trust operates across multiple Integrated Care Systems and actively collaborates, with ICB and providers, to address shared challenges. We have also seen evidence of formal partnership arrangements between the Trust and system partners in support of integrated service delivery. Overall, the Trust shows a strong commitment to partnership working and meaningful stakeholder engagement.	G
commissions or procures services, assessing whether it is realising the expected benefits	The Trust has contract management arrangements in place, as evidenced by its Contract Management Framework which supports a consistent and compliant approach to contract management across the Trust. The Trust operates a single contracts register and utilises a contract tiering methodology which allows the Trust to focus contract management resource appropriately. Regular oversight and governance to contracting and commissioning matters is provided by F&P. The Trust can evidence it participates extensively in collaborative procurement arrangements to support efficiency in procurement. As an example, the Trust is working in partnership with Mid and South Essex NHS Foundation Trust to jointly procure and implement a new Electronic Patient Record (EPR) System with implementation now forming a key part of the Trust's transformation activities. During 2025/26, the Trust has undertaken a strategic review of the EPR programme known as 'Nova' and reset the programme including delivery timelines. It is important that these revised arrangements are successfully embedded and progress is carefully tracked to support the delivery of this important area of digital transformation. As such we have raised an improvement recommendation on pages 41 – 42.	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.

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Improving economy, efficiency and effectiveness

Area for Improvement: Impact of the Accountability Framework and Data Quality

Findings: Although the Accountability Framework has strong foundations, the current delivery model does not consistently enable it to function as a clear, assurance-led, hold-to-account forum, particularly where meeting capacity and data confidence affect the quality of discussion and follow-through.

Evidence: The Accountability Framework has many of the right foundations in place. Senior engagement is strong, discussion is constructive, and Care Units show ownership of their issues, with a more integrated narrative emerging across domains. Deep dives into specific issues are requested to better understand challenges and find collective solutions.

However, the current format is trying to do too much and is not consistently functioning as a focused assurance and hold-to-account forum. Time pressures mean that deep dives, overdue actions and escalation routes are not always fully visible or clearly reported through, which weakens transparency and limits assurance to Board.

Data quality is a cross-cutting issue underpinning this. The Trust has a high Data Quality Maturity Index score (90.1%) and while processes and protocols appear robust overall, staff confidence in the data is being undermined. This may be due to the timing and timeliness of reporting, meaning the information is not always seen at its most reliable point when used in these meetings.

Impact: This may limit the Board's line of sight over whether significant issues are being fully tracked to resolution, whether agreed actions are delivering improvement, and whether assurance judgements are being made on the basis of sufficiently timely and trusted information.

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Improving economy, efficiency and effectiveness

Area for Improvement: Impact of the Accountability Framework and Data Quality

Improvement Recommendation 4

IR4: As part of the planned refresh of the Accountability Framework, the Trust should:

- strengthen the design of the process to ensure the Care Unit meetings are primarily assurance-led, with clear arrangements for deep dives, action tracking, escalation and Board reporting to feed in. In doing so, the Trust should also review how the timing of meetings and packs aligns to the data quality cycle, so that the Framework is supported by information that staff regard as timely, reliable and fit for assurance.
- revise the Data Quality Strategy and supporting policies, while also ensuring that key messages are effectively communicated to staff to further embed strong data quality principles across the organisation.



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Improving economy, efficiency and effectiveness

Area for Improvement: Assessing performance and identify areas for improvement

Findings: The Trust has established arrangements in place to respond to external reviews that are supported by appropriate governance and oversight. The Trust also operates an internal quality assurance processes to drive continuous improvement. However, evidence indicates that quality assurance activity undertaken during the reporting year did not consistently identify key issues, including those later raised by the Regulator.

Evidence: The Trust has established formal arrangements for responding to the findings from external reviews that are supported by up-to-date Standard Operating Procedures. A centralised action plan is developed collaboratively with services, subjected to regular monitoring, with progress reported monthly to both the Quality Committee and the Trust Board. These reports highlight delayed and overdue actions, alongside mitigation plans to address slippage. These are arrangements we would normally expect to see in operation within the sector.

In addition, internal quality assurance arrangements are in place at the Trust which are designed to provide ongoing oversight of quality standards and provide an internal early warning mechanism where improvement is needed. Our work has identified these arrangements were not optimal at a point when the Trust has informed us it was under significant pressure responding to Inquiry demands.

An internal quality assurance visit to a Long stay rehabilitation service in September 2025 did not identify several significant concerns later highlighted by a regulatory inspection by CQC. The CQC report was published in April 2026 and due to the number of regularity breaches identified a section 29A warning notice was issued to address concerns relating to regulation 13 (safeguarding) and regulation 17 (good governance) of the Health and Social Care Act (regulated activities) Regulations 2014.

We have established that an action plan had been developed following the internal quality assurance visit (July 2025), but there is limited evidence demonstrating that the Board had full visibility of the number, and nature, of the issues identified, or that sufficient assurance was obtained regarding whether these actions had been effectively implemented and embedded.

(continued)

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Improving economy, efficiency and effectiveness

Area for Improvement: Assessing performance and identify areas for improvement

Impact: Strengthening internal quality assurance and escalation process will support more effective organisational oversight, reduce the risk of unrecognised deterioration in service quality, and improve the Trust's ability to consistently meet regulatory compliance across the organisation.

Improvement Recommendation 5

IR5: The Trust should strengthen its internal quality assurance and escalation processes to ensure that risks and deteriorating standards are identified early, consistently reported, and acted upon in a timely and sustained way.



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Improving economy, efficiency and effectiveness

Area for Improvement: Nova Programme

Findings: The Trust has established appropriate governance, oversight and financial planning arrangements for the implementation of its new electronic patient record (EPR) system, but slippage during 2025/26 showed that programme planning, resourcing and delivery controls were not sufficiently effective to maintain the original timetable. If not fully embedded, the revised arrangements risk further delay, additional cost pressure and reduced confidence in delivery of this major strategic transformation.

Evidence: In 2024/25, the Trust confirmed that in partnership with Mid and South Essex NHS Foundation Trust (MSEFT), Oracle Health had been awarded the contract to deliver a new EPR system for both Trusts. Its goal is to replace multiple legacy systems with one integrated patient record platform which intends to support positive patient outcomes, joined up care and efficient service delivery through centralised information and data.

The programme is supported by formal joint governance with MSEFT, regular reporting, independent assurance and clear inclusion in the Trust's capital planning and strategic risk reporting.

During 2025/26 the implementation programme (known as Nova) was reviewed with several key lessons captured as themes relating to programme leadership and control, resourcing and expertise needs, planning and controls, behaviour/culture, and design principles.

The programme has been subject to a programme reset with revised governance which includes the introduction of enhanced governance arrangements (including weekly Executive oversight meetings), the appointment of a strategic delivery partner and updated delivery milestones and revised timelines.

The Trust responded positively through a streamlined governance model, additional executive oversight and external delivery support, but these changes were introduced late in the year and are not yet evidenced over a sustained delivery period.

It is now expected the Trust will go live with the new system in October 2027.

Impact: Without sustained delivery control, the Trust may face further timetable slippage, increased pressure on capital and workforce capacity, and delayed programme benefits.

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Improving economy, efficiency and effectiveness

Area for Improvement: Nova Programme

Impact: The Nova programme represents a significant digital change programme for the Trust that has potential to realise wide ranging efficiencies and improve patient care and experience. This ambitious project, like other major EPR implementations, has inherent complexity and risk which will need to be carefully managed. The Trust has identified programme improvements which is notable. However, these improvements need to be embedded and carefully monitored to ensure key programme objectives and milestones are achieved.

Improvement Recommendation 6

IR6: The Trust should embed the identified NOVA programme improvements to strengthen programme planning, resourcing and delivery controls, while ensuring that the revised delivery plan is realistic, fully resourced and effectively governed.



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Grant Thornton insights

The Trust has placed a focus on managing staff absenteeism and is developing further plans to support compliance with KPIs, 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 recognises the interdependency between absenteeism and temporary staff costs and how driving reductions in these areas supports wider financial sustainability.
- The Trust monitors workforce KPIs, including absence rates, supported by oversight and governance.
- The Trust has recently adopted a revised People Strategy 2026–2031 which includes absence management objectives. The Trust is finalising an underpinning Absence Management and Oversight Plan to support strategic objectives.

What the Trust could prioritise

- Staff absence is reducing from historical levels but is not yet within target. It is imperative that the Absence Management and Oversight Plan is finalised, adopted and embedded across care units and departments.
- The Trust could articulate, to staff, the reasons for this organisational focus to support organisational culture change.
- Timely and consistent absence data, at care unit/department level is vital to allow the Trust to respond appropriately to areas of adverse variance or cascade learning from best practice.

The Trust could further consider

- The Trust's efficiency ask for 2026/27 is dependent on further reductions in temporary pay costs which will require careful management of absenteeism. The Trust should consider including within monthly finance performance reports information relating to operational areas adversely impacted by absenteeism. This will ensure appropriate and timely action can be taken by those charged with governance.

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Grant Thornton insights

The Trust places a focus on monitoring KPIs supported by appropriate oversight and governance, but could challenge itself to go further, based on arrangements we see across the sector.



What the Trust is already doing

- The Trust presents a Quality and Performance Scorecard to each Board meeting, with further oversight over operational performance through Finance & Performance Committee.
- The Scorecard provides an overview of metrics across core domains of operations, quality, workforce and finance. Narrative is also provided to highlight areas of underperformance for scrutiny.
- A Power BI dashboard is available for members which identifies the total number of KPIs, with some RAG rating included.



What the Trust could prioritise

- Current performance reporting arrangements could be enhanced and further strengthened to provide a more comprehensive view of the Trust's performance to offer greater assurance to Board that underperforming areas are being effectively identified, managed and addressed to drive sustained improvement.



The Trust could further consider

- The Trust should consider enhancing its Scorecard by incorporating clear structured tables presenting current performance against target positions, alongside assurance over data quality and benchmarking where possible. This will facilitate the early identification of underperforming areas for timely and focused scrutiny.
- The Trust should also consider enhancing its Scorecard by incorporating clear analysis of variance against targets and trends over the reporting period. This could include the use of RAG ratings and direction of travel indicators to strengthen the overall narrative. Doing so will provide those charged with governance with a concise, transparent overview.

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

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR1	The Trust should ensure that the oversight and challenge through the Transformation & Efficiency Group is robust and sufficient to keep pace with the increased level of savings required to deliver the 2026/27 efficiency target. Sufficient assurance should be provided to the Finance & Performance Committee that savings delivery is on track with escalations to the Board clearly set out to enable slippage and non-delivery risks to be appropriately managed.	Financial sustainability (pages 18 – 23)	Actions: 1) Transformation Efficiency Group fortnightly meeting in place. 2) Finance and Performance - long term financial planning and efficiency deep dive scheduled September 2026 3) TEG update report to be developed to provide further assurance to Finance & Performance bi-monthly Responsible Officer: Simon Covill (Director of Operational Finance) Executive Lead: Jenny Davis (Interim Chief Finance and Resources Officer) / Andrew McMenemy (Executive Chief People Officer) Due Date: 30 November 2026

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR2	The Trust should strengthen its overall control framework for delivering evidence to the Lampard Inquiry to ensure it can provide a response which is not only timely, but also accurate, transparent, sustainable and capable of learning as it goes. This should include: • a formal capacity planning approach that sets out the core resource required, the additional capacity needed during periods of increased demand, and clear triggers for escalation, so that staffing decisions are planned in advance rather than made in response to emerging pressure; (cont.)	Governance (pages 24 – 33)	Actions: 1) Strengthened programme capacity, governance and delivery arrangements were completed in April 2026. Responsible Officer: Catherine O'Connell (Senior Responsible Officer – Lampard Inquiry Response) Executive Lead: Trevor Smith (Interim Joint Chief Executive Officer) Due Date: 31 December 2026

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR2	(cont.) • a stronger and more clearly evidenced quality assurance process for disclosure, including defined review stages, named sign-off responsibilities and routine exception reporting, to provide greater confidence that submissions are accurate, complete and reliable; • a single, Board-facing performance and assurance dashboard, providing clear visibility of delivery against timeliness, quality, risk and workforce pressures, enabling earlier identification of issues and more effective oversight. (cont.)	Governance (pages 24 – 33)	Actions: 2) Further improvements are underway to strengthen workforce planning, programme governance and PMO support. This includes improved resource modelling, surge capacity planning, clearer escalation arrangements and better identification of the contribution required from subject matter experts and operational teams. The Trust will also consider whether additional specialist expertise should be embedded within the Programme Team. 3) A defined Rule 9 response process is in place, supported by enhanced quality assurance, including clear review stages, defined sign-off responsibilities, exception reporting and improved documentation of key decisions, assumptions and limitations. Given the statutory nature and fixed timescales of Rule 9 requests, responses are approved through the established Rule 9 governance process rather than through Executive or Board approval. Executive and Board oversight is maintained through routine reporting, escalation of exceptions and a developing assurance dashboard. Responsible Officer: Catherine O'Connell (Senior Responsible Officer – Lampard Inquiry Response) Executive Lead: Trevor Smith (Interim Joint Chief Executive Officer) Due Date: 31 December 2026

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR2	(cont.) • renewed arrangements for oversight of learning and quality, so that the Trust can demonstrate not only that it is meeting the Inquiry's requirements, but also that it is identifying lessons and acting on them as the Inquiry progresses; and • independent assurance, including internal audit review, to provide objective scrutiny of whether the Trust's arrangements are operating effectively in practice and to support the Board with assurance that risks are being identified early rather than only once problems have escalated.	Governance (pages 24 – 33)	Actions: 4) The Trust is also strengthening its overall assurance framework through the introduction of a single Board dashboard providing greater visibility of delivery performance, risks, quality, workforce pressures and key dependencies. Governance arrangements will also ensure that learning arising from the Inquiry is systematically captured, reviewed and acted upon. 5) The Trust recognises the importance of independent assurance and will commission a review of the Inquiry response to assess the effectiveness of governance, capacity planning, quality assurance, risk management, reporting and Board oversight. Responsible Officer: Catherine O'Connell (Senior Responsible Officer – Lampard Inquiry Response) Executive Lead: Trevor Smith (Interim Joint Chief Executive Officer) Due Date: 31 December 2026

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR3	The Trust should provide a more detailed update to Audit Committee on the actions being taken to strengthen and formalise compliant procurement processes within a particular focus on increasing procurement compliance relating to capital expenditure.	Governance (pages 24 – 33)	Actions: 1) Dedicated procurement resource assigned to Estates and Digital to support compliant capital processes. 2) Capital pipeline of external scheme/bids developed as part of the multi-year capital plan, to support improved capital programme planning including time to tender. 3) Increased oversight through Finance and Performance Committee with a 12-month prospective procurement pipeline reported to committee, which includes the capital programme. Responsible Officer: Liz Brogan (Director of Contracting, Business Development & Procurement) Executive Lead: Jenny Davis (Interim Chief Finance and Resources Officer) Due Date: 30 September 2026

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR4	As part of the planned refresh of the Accountability Framework, the Trust should: • Strengthen the design of the process to ensure the Care Unit meetings are primarily assurance-led, with clear arrangements for deep dives, action tracking, escalation and Board reporting to feed in. In doing so, the Trust should also review how the timing of meetings and packs aligns to the data quality cycle, so that the Framework is supported by information that staff regard as timely, reliable and fit for assurance. • The Trust should also prioritise revising its Data Quality Strategy and supporting policies, while also ensuring that key messages are effectively communicated to staff to further embed strong data quality principles across the organisation.	Improving economy, efficiency and effectiveness (pages 34 – 44)	Actions: 1) Planned refresh of the Accountability Framework and associated meetings will reflect the audit findings, with a greater focus on performance assurance, action tracking, and deep dives. Further to this the meeting packs will be refreshed and standardised across Care Units. 2) In July the Trust approved a Data Intelligence transformation programme. The aim of this programme includes addressing the timeliness of data and data quality, with a specific deliverable included around the redesign of Accountability Framework packs so they are standardised, validated and trusted. Responsible Officer: 1) Lizzy Wells (Executive Chief Operating Officer) 2) Adam Whiting (Chief Technology Officer) Executive Lead: 1) Denver Greenhalgh (Executive Director of Corporate Governance) 2) Zephan Trent (Executive Director of Digital, EPR and Information) Due Date: 31 March 2027

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR5	The Trust should strengthen its internal quality assurance and escalation processes to ensure that risks and deteriorating standards are identified early, consistently reported, and acted upon in a timely and sustained way.	Improving economy, efficiency and effectiveness (pages 34 – 44)	Actions: Assessment is underway to review the oversight of the quality assurance actions and pulling these into the overarching improvement plan Responsible Officer: Nicola Jones (Head of Risk and Compliance) Executive Lead: Denver Greenhalgh (Executive Director of Corporate Governance) Due Date: 31 December 2026

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR6	The Trust should embed the identified NOVA programme improvements to strengthen programme planning, resourcing and delivery controls, while ensuring that the revised delivery plan is realistic, fully resourced and effectively governed.	Improving economy, efficiency and effectiveness (pages 34 – 44)	Actions: 1) Management action plan for DHA assurance report developed and approved through Joint Steering Board with progress tracked by programme director 2) Nova Operational delivery director appointed for EPUT and starting in August 2026. 3) Additional EPUT programme management resources appointed. 4) Further assurance reports commissioned for gateways 3.1/3.2 and additional critical friend support commissioned. 5) Integrated Master plan developed to create greater monitoring of key activities and dependencies. 6) Changes to governance have been agreed with CEOs to strengthen non-executive oversight and programme governance 7) Nova showcase events planned to increase organisational awareness and ownership of new EPR Responsible Officer: Barry Frostick (Programme Director – NOVA) Executive Lead: Zephan Trent (Executive Director of Digital, EPR and Information) Due Date: 31 December 2026

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07 Appendices

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Appendix A: Responsibilities of the NHS Foundation 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 Foundation 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 Foundation 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.



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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 as follows:

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

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