

The Christie NHS Foundation Trust

Auditor's Annual Report
Year ending 31 March 2025

Date of issue: 26 June 2025



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

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01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for The Christie NHS Foundation Trust (the Trust) during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Trust are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

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

- give a true and fair view of the financial position of the Trust as at 31 March 2025 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2024/25; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We also consider the Annual Governance Statement and the relevant disclosures within the Annual Report including the Remuneration 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 Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

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

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

The NHS – context

The NHS has remained under significant pressure in 2024/25

National



Past

Long-Term Underinvestment

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



Workforce Challenges and Costs

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

Local

Present



Public Health System Complexity

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



Seasonal Pressures

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

Future



Structural uncertainty

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



Digital Transformation and Productivity

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

The Christie NHS Foundation Trust (the Trust) is a leading cancer care provider in the UK and the largest single site cancer centre in Europe. The Trust engages in a range of commercial and other partnerships and undertakes collaborative research with a range of partners including the University of Manchester.

The Trust is hosted within the Greater Manchester Integrated Care System (ICS), which covers a population of around 2.8 million. As a leading specialist provider, The Christie serves not only this population but provides a wider service regionally, nationally and internationally. The ICS has significant financial challenges as a whole - but the Christie has been an exception within this, with a track record of breakeven or better performance.

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

02 Executive Summary

Executive summary – our assessment of value for money arrangements

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

| Criteria | 2023/24 Assessment of arrangements | 2024/25 Risk assessment | 2024/25 Assessment of arrangements |
|---|--|--|--|
| Financial sustainability | A No significant weaknesses identified; improvement recommendations raised in relation to recurrent savings. | No risks of significant weakness identified. | A No significant weaknesses identified; one improvement recommendation retained in relation to recurrent savings. |
| Governance | A No significant weaknesses identified; improvement recommendations raised in relation to waiver reporting. | No risks of significant weakness identified. | G Our work did not identify any areas where we considered that key or improvement recommendations were required. We identify some insights that could help the Trust further develop its arrangements. |
| Improving economy, efficiency and effectiveness | A No significant weaknesses identified; improvement recommendations raised in relation to the presentation of integrated performance reports. | No risks of significant weakness identified. | A No significant weaknesses identified; one improvement recommendation retained in relation to contract management oversight arrangements. |
| <div> <div>G</div> <div>A</div> <div>R</div> </div> <div> No significant weaknesses or improvement recommendations. No significant weaknesses, improvement recommendations made. Significant weaknesses in arrangements identified and key recommendation(s) made. </div> | | | |

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 mainlined its strong revenue performance, exceeding its £7.5m surplus plan in 2024/25 with an adjusted surplus of approximately £15m and a cash balance of around £129m.

Greater capital flexibility in 2025/26 is anticipated due to new incentive regimes and strong revenue, with a significant £51m Capital plan that includes investments such as the Advanced Scanning and Imaging Centre development.

The Trust delivered its 2024/25 Value Improvement Programme (VIP) target of £21.4m, though it fell short of the recurrent target at £10.4m out of £14m. For 2025/26, the VIP target is £25.3m, with a 50:50 recurrent/non-recurrent split. We maintain our improvement recommendation in this area, with a focus on scheme identification.



Governance

The Trust's overall governance arrangements are in line with what we would expect to see, with an effective Board Assurance Framework (BAF) that aligns to the Trust's organisational objectives, supported an integrated risk management framework. The internal audit function is adequate, as are anti-fraud arrangements.

The Trust's Board papers, including the Trust Report and Integrated Performance Quality & Finance Report (IPQ&F), provide a reasonable overview of financial and operational performance. We noted some inconsistencies in presentation and provide some insights to support ongoing development in this area.



Improving economy, efficiency and effectiveness


The Trust has a mature approach to performance assessment, stakeholder engagement, and procurement oversight.

The Integrated Performance Report, while informative, could benefit from more structured discussions at public Board meetings and a clearer articulation of data integrity within the report itself. We provide some examples of practice that would further enhance the transparency of the Trust's reporting.

The Trust has appropriate arrangements in place to oversee the management and renewal of contracts with 3rd party suppliers but, in common with many other Trusts, there is limited evidence of central oversight after that. We raise an improvement recommendation in this area.

Executive summary – auditor’s other responsibilities

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

| Auditor’s responsibility | 2024/25 outcome | |
|-------------------------------------|---|--|
| Opinion on the Financial Statements | We have completed our audit of your financial statements and issued an unqualified audit opinion on 26 June 2025 following the Audit Committee meeting on 25 June 2025. Our findings are set out in further detail on pages 10 to 12. |  |
| 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. | |

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

Opinion on the financial statements

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

Audit opinion on the financial statements

We issued an unqualified audit opinion on 26 June 2025 following the Audit Committee meeting on 25 June 2025.

The full opinion will be included in the Trust's Annual Report for 2024/25, which can be obtained from the Trust's website.

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

- give a true and fair view of the financial position of the Trust as at 31 March 2025 and of its expenditure and income for the year then ended,
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2024/25, and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

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

Findings from the audit of the financial statements

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

Draft financial statements were of a good standard and supported by detailed working papers.

We would like to record our thanks to the Finance team for their assistance and positive engagement throughout the audit.

There were no significant adjustments made to the financial statements submitted for audit which impacted on the reported surplus in year

We made control recommendations in our audit findings report as a result of the audit of the financial statements. One significant recommendation relates to timely termination of leavers' IT access and payroll run inclusion.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. Our report was presented to the Trust's Audit Committee on 25 June 2025. Requests for this Audit Findings Report should be directed to the Trust.

Other reporting requirements and use of auditor's powers

The Remuneration Report and the 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 2024/25.

These specified parts of the Remuneration Report and the Staff Report have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2024/25 (FT ARM).

Annual Governance Statement

Under the Code of Audit Practice (2024) published by the National Audit Office, we are required to consider whether the Annual Governance Statement included in the Trust's Annual Report for 2024/25 does not comply with the guidance issued by NHS England, or is misleading or inconsistent with the information of which we are aware from our audit.

We have nothing to report in this regard.



04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

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

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

Under the 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.

Financial sustainability – commentary on arrangements

| We considered how the Trust: | Commentary on arrangements | Rating |
|--|---|--------|
| identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them | The Trust has kept up its track record of strong revenue performance, with clear focus on delivering its planned activity driving a £15m surplus against a £7.5m plan in 2024/25. The Trust maintains a cash balance of approximately £129m which is appropriately monitored. Despite challenges with system capital allocation, the Trust will have more flexibility in 2025/26 due to new incentive-based regimes, its strong revenue delivery, and its projected £7.5m surplus in 2025/26. The Capital plan for 2025/26 is significant at £51m, featuring significant investments including the ASIC development and updated specialist scanning equipment. The Trust has effective processes for prioritising capital programs and reviewing business cases, enhanced by the establishment of the Investment and Capital Planning Committee (ICPC) in recent years. | G |
| plans to bridge its funding gaps and identify achievable savings | The Trust fully delivered its 2024/25 Value Improvement Programme (VIP) target of £21.4m. However, despite ongoing monitoring being in place, there was a shortfall against the recurrent target, where 75% of the £14m target was delivered as planned (£10.4m), and early scheme identification remains a key challenge. For 2025/26, the Trust’s VIP target is £25.3m, with the proposed recurrent/non-recurrent split again 50:50. Comparison with other system providers showed the Christie's risk-adjusted VIP programme was relatively mature as at mid- April 2025/26, though there remains room for improvement. We therefore maintain an improvement recommendation in this area (page 17). | A |
| plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities | The Trust is contributing to the Greater Manchester medium-term financial sustainability plan as part of the GM Trust Provider Collaborative. For 2025/26, it is increasing collaboration with the Royal Marsden in areas such as development of clinical protocols and staff development pathways. The Trust understands its cost base and the value of comparing itself to other organisations and has linked this to its VIP programme. | G |

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

Financial sustainability – commentary on arrangements (continued)

| We considered how the Trust: | Commentary on arrangements | Rating |
|--|---|--------|
| 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 remains focused on generating income while enhancing productivity, with plans clearly linked to its staffing requirements and necessary capital investment. The ICPC continues to oversee investment business cases, including investments related to estates projects with potential carbon reduction impacts. Additionally, the Trust has developed a Green Plan to address its climate change impact, receiving updates on its progress, while recognising the challenges inherent in estimating the costs of achieving net zero. | G |
| identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans | The Trust has established effective arrangements for identifying and managing financial risks, initiated through its annual financial planning process. It reports organisational and system-level financial risks throughout the year via routine financial reports to the Board. The Trust also considers risks related to proposed capital investments through the business case approval process. The inclusion of more scenario analysis in submissions to the Board, both public and private, could potentially illustrate the impact of performance or activity variations more and the risk-weighting of key assumptions in internal submissions. Overall, however, we do not consider there are any weaknesses in the Trust's arrangements in this area. | G |

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

Financial sustainability (continued)

Area for Improvement identified: identifying recurrent savings

Finding: The Trust has improved recurrent savings delivery but needs to continue work to identify more recurrent schemes to avoid under-delivery at year-end.

Evidence: The Trust delivered its 2024/25 Value Improvement Programme (VIP) target of £21.4m in full. Within this, it did improve its delivery of recurrent savings, albeit with a shortfall against the recurrent target, where £10.5m was delivered against a target of £14.0m (75% delivery). Non-recurrent delivered The shortfall of £3.5m was based on unidentified schemes, rather than under-delivery of developed schemes, which has also been the case in recent years.

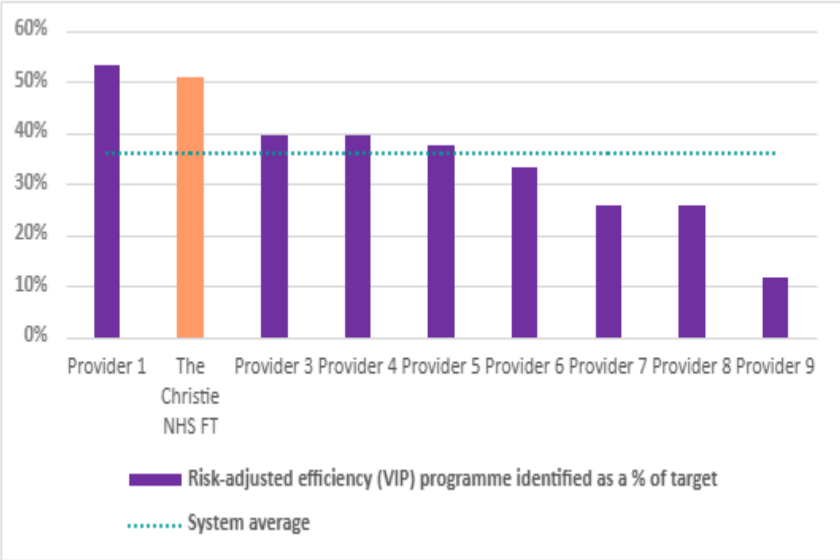
For 2025/26, the Trust has set a VIP target of £25.3m, with the recurrent/non-recurrent split again 50:50. The system has undertaken benchmarking of efficiency programme development taking into account risk, with fully developed schemes scored at 100%, and less developed schemes given an lower rating. Applying this ‘risk-weighting’ estimates the Christie’s programme as being £12.9m, or around 51% developed, as at mid-April 2025. This clearly leaves room for improvement though, for context, this was the second-most developed programme across the wider system (see chart 1 opposite). The gap remaining was driven, again, by unidentified schemes, indicating there is still work to do to fully implement this aspect of prior year-improvement recommendation.

Impact: In our experience, unidentified schemes at the start of the year often become undelivered schemes at the end of the year. Any shortfall of recurrent savings adds to financial pressures the following year.

Improvement Recommendation 1

IR1: The Trust should build on its improved recent recurrent VIP delivery, with a focus on scheme identification, to ensure it is able to meet the targets it sets.

 **Chart 1:** The Trust’s risk adjusted VIP programme as at mid-April 2025



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 | <p>The Trust's Board Assurance Framework is well-developed, reported in public Board meetings, and aligns with organisational objectives. The BAF is supported by a risk management framework, with the Risk Management Policy refreshed this year and risks transferred to Datix Cloud IQ.</p> <p>The Internal Audit function provides appropriate support, assessing strategic and operational risks and providing ongoing assurance to the Board, with no delays evident in the Audit Plan. The 2024/25 annual Head of Internal Audit (HOIA) opinion, presented in April 2025, was “Substantial Assurance”, indicating a reasonable system of internal control.</p> <p>The Trust also has adequate anti-fraud arrangements in place, with an approved plan for 2024/25 and progress reported at Audit Committee meetings. There is evidence that clinical and workforce activity and issues are reported to the Board via the relevant Committee, for example: the staff survey, patient survey and FTSU concerns continue to be reported via the Workforce Assurance Committee.</p> | G |

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

Governance – commentary on arrangements

| We considered how the Trust: | Commentary on arrangements | Rating |
|---|---|--------|
| approaches and carries out its annual budget setting process | As in recent years, we are content that the Trust has maintained robust annual budgeting arrangements, including engagement with the ICB to work toward resolution of challenges. The Trust has maintained a good recent track record of delivering on its financial plans, delivering a surplus greater than planned against a challenging financial backdrop across the wider system and nationally. | G |
| ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships | The Trust's Board papers include the Trust Report summary, which is the main item for discussing financial performance in public Board meetings. The report provides a high-level overview of revenue and capital performance, as well as progress on the VIP efficiency programme. It includes year-to-date performance, though not a forecast outturn position. The Trust's involvement in Joint Venture Partnerships (JVP) is reported appropriately within routine financial reports, as well as periodic updates, to Private Board meetings. | G |

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

Governance – commentary on arrangements (continued)

| We considered how the Trust: | Commentary on arrangements | Rating |
|---|---|--------|
| ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee | <p>The Trust continues to make informed decisions, supported by appropriate evidence, debate and challenge. Committees report to the Board with a clear summary of recent meetings and any action they require from the Board using an ‘Assure, Alert, Advise’ framework. Review of Audit Committee papers and our direct experience of attending these meetings indicates that the Audit Committee is effective, with meetings encouraging appropriate debate, discussion and challenge. Committees’ Terms of Reference were revised during the year to be consistent with the template within the HFMA audit committee handbook.</p> <p>We noted some inconsistencies in the way Board papers are presented, with some cover sheets and minutes lacking detail of the discussions and debate, and the outcome of each agenda item. Whilst we have not identified this as an area of weakness, we have used our insight to show arrangements in this area are stronger and actions the Board may wish to consider going forward (see page 21).</p> | G |
| monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour | <p>The Trust has arrangements to monitor and report legislative and regulatory requirements to the Board; we are not aware of any significant breaches of legislation or regulatory or professional standards being reported during the year. The Trust has undertaken Fit & Proper Persons Tests (FPPT) in 2024/25 in line with current frameworks, though the Trust’s FPPT policy may itself need updating to align with the Framework. It would be worth the Trust clarifying this. Arrangements are in place for declaring decision makers’ interests, and for staff to declare gifts and hospitality.</p> <p>The Trust’s Procurement Strategy 2021-26 is aligned to statutory and mandatory public procurement regulations. Waivers are now reported to the ICPC rather than the Audit Committee, and the Trust has substantively addressed our improvement recommendation on this from 2023/24 with only minor suggestions remaining (Appendix C).</p> | 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.

Grant Thornton insights – learning from others

The Trust has the arrangements we would expect to see in respect of decision-making and board reporting, 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 continues to make informed decisions that are supported by appropriate evidence, debate and challenge.
- There is evidence of strong leadership by the Board. Committees report to the Board with a clear summary of recent meetings and an action they require from the Board using an Assure, Alert, Advise framework.



What others do well

- The best Trust Board reporting we see uses the coversheets of reports to clearly and consistently link items to the agenda.
- Board reporting in public is an important way to show the local stakeholders not just **what** key decisions have been taken, but also **how**. Minutes of meetings give a real flavour of the discussion and debate and show the outcome of each item. This way, it is clear what was decided, as well as what was discussed, and the action being taken as a result.



The Trust could consider

- Expanding the minutes of Board meetings to fully capture challenge, discussion and debate and who led this, to show Committee members' contributions and the outcome of each item.
- Showing the purpose of each paper clearly on every item (and matching this to how the paper is described in the agenda) so it is clear how the Board's time has been prioritised to focus on the items that need a decision or where there has been more challenge.

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 | <p>The Trust reviews national and local data and information to assess performance and identify areas for improvement and cost efficiencies. An Integrated Performance Report is presented to the Board, though this is for "information" only at public Board meetings and is not allocated time for discussion. The report is, however, shared with the Senior Management Committee (SMC) for information in the previous month, and a real-time presentation of performance against key metrics is presented monthly to SMC. A narrative is generally provided to support the statistical process control and other chart types, although further action required to improve performance is not generally noted. This is something the Trust could consider including to further strengthen arrangements.</p> <p>The Trust has some arrangements in place to oversee the quality of performance data submitted; however, the level of data quality used to prepare the performance report is not written within the report using a ‘kite-mark’ or similar which we see in some other organisations. The Trust makes use of data from GIRFT and Model Hospital to support clinical divisions identifying further savings opportunities.</p> | G |
| evaluates the services it provides to assess performance and identify areas for improvement | <p>The Trust has not received any external inspections, including the CQC or a specific service review during 2024/25. The Trust actively measures performance in relation to CQC regulations in day-to-day business. Related actions including those from the Trust's culture review programmes continue to be reported to the Board via the Workforce Assurance Committee.</p> <p>The Trust remained in Segment 2 of the NHS oversight framework throughout the year, and the Board is made aware of the Trust’s segmentation by the Chief Executive at public Board meetings.</p> | G |

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

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

| We considered how the Trust: | Commentary on arrangements | Rating |
|---|--|--------|
| 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 | <p>The Trust engaged with stakeholders and partners during development of The Christie Strategy 2023-28, and there are methods in place to share progress against objectives with stakeholders, including a members’ magazine, ‘Headlines’.</p> <p>The Trust’s strategic objectives are then used in organising its day-to-day business, for example: through mapping to Board papers and to risks on the BAF. Partnership working is identified as a key control to manage risks detailed within the BAF.</p> <p>We also note that the Trust continues to work with other specialist oncology centres, and the Trust’s involvement in Joint Venture Partnerships (JVP) is reported appropriately to Private Board meetings.</p> | G |
| commissions or procures services, assessing whether it is realising the expected benefits | <p>The Trust has arrangements to oversee the procurement of services. The Trust’s Procurement Strategy details responsibilities, including the role of the Investment and Capital Planning Committee (ICPC) to receive contract awards for approval, the Divisions responsibility to review supplier activity and performance, with support from the Procurement Department.</p> <p>There is no evidence that performance against contract deliverables is reported centrally through risk-based arrangements, and we raise an improvement recommendation in this area.</p> | A |

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

Improving economy, efficiency and effectiveness (continued)

Area for Improvement: contract management oversight

Findings: The Trust has appropriate arrangements in place to oversee the management and renewal of contracts with 3rd party suppliers but there is limited central oversight after that.

Evidence: The Atamis platform is used to provide a contract register, including the performance management of suppliers.


The Trust’s Procurement Strategy includes responsibilities for contract management and states that ‘Appropriate Contract Management should include the provision for Supplier Relationship Management, whereby performance metrics are reviewed and addressed through a structured process’. A Contract Management Guide is appended to the Trust’s Procurement Strategy.

Like many other Trusts, the responsibility for ongoing review of supplier activity and performance lies with the Divisions - and there is no clear route for central monitoring of performance against contract deliverables (including commercial terms).

Impact: To ensure appropriate escalation of any issues it would be beneficial for the ICPC to receive periodic reports relating to contract performance and managers’ compliance with key aspects of the contract management framework, such as whether review meetings to monitor the activity and performance of suppliers are being held.

Improvement Recommendation 2

IR2: The Trust should establish risk-based arrangements for regular oversight and reporting of strategic contract management activity including periodic reporting to a relevant committee such as ICPC.

 **Grant Thornton insight**

Strengthening Contract Management and Procurement

At bodies with stronger contract management, we see clear governance and regular central oversight, providing assurance on whether contracts deliver value. Devolving contract responsibility to divisions can work well but, in our experience, risks arise when roles aren’t clear or commercial knowledge isn’t maintained. Limited oversight makes it harder to spot trends and manage risks early.

Arrangements reflecting notable practice include developing and maintaining an up-to-date contract register, ‘tiering’ contracts based on risk and strategic value, and risk-based oversight of value for money and performance throughout the contract lifecycle to support timely, robust decision-making and ensure the re-tendering pipeline is informed.

Improvement recommendations raised in 2024/25

| | Recommendation | Relates to | Management Actions |
|-----|--|---|---|
| IR1 | The Trust should build on its improved recent recurrent VIP delivery with a focus on scheme identification. | Financial sustainability | <p>Actions: Agreed, 2026/27 VIP programme to be launched in autumn 2025</p> <p>Responsible Officer: Jo Leece</p> <p>Executive Lead: Claire McPeake</p> <p>Due Date: November 2025</p> |
| IR2 | The Trust should establish risk-based arrangements for regular oversight and reporting of strategic contract management activity including perioding reporting to a relevant committee such as ICPC. | Improving economy, efficiency and effectiveness | <p>Actions: Divisional Directors are responsible for contract management within their Divisions; this will be included in the monthly Service and Operational Reviews on a risk-based approach.</p> <p>Responsible Officer: Claire McPeake</p> <p>Executive Lead: Sally Parkinson</p> <p>Due Date: September 2025</p> |

07 Appendices

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.



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 |

Appendix C: Follow up of 2023/24 improvement recommendations

| | Prior Recommendation | Raised | Progress | Current position | Further action |
|-----|---|---------|--|---------------------------------------|---|
| IR1 | The Trust needs to deliver more recurrent savings. It should embed the improvements it has made to governance of its VIP efficiency programme and it should monitor progress in this area closely, and devise recovery plans if previously identified efficiencies fail to materialise | 2023/24 | The Trust fully delivered its 2024/25 Value Improvement Programme (VIP) target of £21.4m, albeit with a shortfall against the recurrent target, where 75% of the £14m target was delivered (£10.4m). For 2025/26, the Trust's VIP target is £25.3m and there was, again, scope to identify more schemes earlier. | In progress - recommendation updated. | Yes - recommendation re-raised or updated. |
| IR2 | We recommend the Trust consider reviewing its processes for reporting on waiver activity to identify potential improvements in the process. This could involve: more frequent and detailed reporting on Waiver activity to the Audit Committee; clarification of the role of Investment and Capital planning Committee in relation to waiver monitoring | 2023/24 | Waivers are now reported to ICPC. | Implemented and closed. | For completeness we note that the ICPC minutes do not routinely record actions taken on waivers and the Trust could further enhance its reporting in this area. |
| IR3 | We recommend the Trust continues to monitor staff turnover closely as it continues to implement its People and Culture plan and considers whether there are additional insights to be gathered from benchmarking with similar organisations | 2023/24 | Turnover is monitored and the Trust continues to report the impact of culture programmes through its Workforce Assurance Committee | Implemented and closed. | No. |



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