Auditor's Annual Report 2022/23

The Shrewsbury and Telford Hospital NHS Trust

—

August 2023

Key contacts

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This report is addressed to The Shrewsbury and Telford Hospital NHS Trust (the Trust) and has been prepared for the sole use of the Trust. We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Introduction

Introduction

This Auditor's Annual Report (AAR) provides a summary of the findings and key issues arising from our 2022/23 audit of The Shrewsbury and Telford Hospital NHS Trust (the 'Trust').

This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office and is required to be published by the Trust alongside the annual report and accounts.

Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. In line with this we provide conclusions on the following matters:

- **Accounts** - We provide an opinion as to whether the accounts give a true and fair view of the financial position of the Trust and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the Group Accounting Manual prepared by the Department of Health and Social Care (DHSC).
- **Annual report** - We assess whether the annual report is consistent with our knowledge of the Trust. We perform testing of certain figures labelled in the remuneration report.
- **Value for money** - We assess the arrangements in place for securing economy, efficiency and effectiveness (value for money) in the Trust's use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.
- **Other reporting** - We may issue other reports where we determine that this is necessary in the public interest under the Local Audit and Accountability Act 2014.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities:

Accounts	We issued an **unqualified opinion** on the Trust's accounts on 30 June 2023. This means that we believe the accounts give a true and fair view of the financial performance and position of the Trust. We have provided further details of the key risks we identified and our response on page 4.
Annual report	We **did not identify any significant inconsistencies** between the content of the annual report and our knowledge of the Trust. We confirmed that the Governance Statement had been prepared in line with the DHSC requirements.
Value for money	We are required to report if we identify any significant weaknesses in the arrangements the Trust has in place to achieve value for money. We have **nothing to report** in this regard.
Other reporting	We have made a **section 30 referral** to the Secretary of State given that the Trust breached its breakeven duty for 2022/23. We did not consider it necessary to issue any other reports in the public interest.

Accounts Audit

The table below summarises the key risks that we identified to our audit opinion as part of our risk assessment and how we responded to these through our audit.

Risk	Findings
Valuation of land and buildings Land and buildings are required to be held at fair value. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with a 'modern equivalent asset'. The Trust engaged a valuer to undertake a desktop valuation for the year ended 31 March 2023. The assessment of the fair value of the assets is a key estimate in the financial statements.	We considered the carrying value of the land and buildings; including any material movements from the previous revaluations. We challenged key assumptions within the valuation, including the use of relevant indices and assumptions of how a modern equivalent asset would be developed, as part of our judgement. We agreed the calculations performed of the movements in value of land and buildings and verified that these have been accurately accounted for in line with the requirements of the GAM. We **did not identify any material misstatements** relating to this risk. We considered the estimate to be balanced based on the procedures performed.
Fraudulent expenditure recognition Auditing standards suggest for public sector entities a rebuttable assumption that there is a risk expenditure is recognised inappropriately. We recognised this risk over non-pay expenditure, excluding depreciation. We consider this would be most likely to occur through materially understating year end accruals to push back expenditure to 2023-24 to mitigate financial pressures.	We assessed the design and implementation of process level controls over manual expenditure accruals at the end of the year. We have performed our substantive testing procedures by inspecting cash payments and purchase invoices in the period after 31 March 2023 to verify expenditure had been recognised in the correct accounting period and evaluating a sample of year end accruals to confirm they were appropriate. We also assessed the outcome of the agreement of balances exercise with other NHS organisations. We **did not identify any material misstatements** relating to this risk.
Management override of controls We are required by auditing standards to recognise the risk that management may use their authority to override the usual control environment.	We tested the design and implementation of controls over the posting of journals including post closing adjustments. We also selected journals that were considered high risk, through applying specific risk based criteria, to test and agreed these journals to supporting documentation. We **did not identify any material misstatements**.

Fraud risk from revenue recognition: Auditing standards set a rebuttable assumption that there is a risk revenue is recognised inappropriately. Due to the nature of revenue within the Trust, we do not consider there to be a significant risk of fraud and have **rebutted this risk**.

Value for money

Introduction

We consider whether there are sufficient arrangements in place for the Trust for each of the three elements that make up value for money. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

We undertake risk assessment procedures in order to assess whether there are any risks over the arrangements to deliver value for money. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over the arrangements in place.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

Further details of our value for money responsibilities can be found in the Audit Code of Practice at Code of Audit Practice (nao.org.uk).

Matters that informed our risk assessment

The table below provides a summary of the external sources of evidence that were utilised in forming our risk assessment as to whether there were significant risks that value for money was not being achieved:

Source	Detail
Care Quality Commission rating	The last full CQC report was in November 2021, with overall rating of Inadequate.
Single Oversight Framework rating	4 - Mandated Intensive Support (August 2023)
Governance statement	There were no significant control deficiencies identified in the governance statement.
Head of Internal Audit opinion	Substantial Assurance – "there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently"

Commentary on arrangements

We have set out on the following pages commentary on how the arrangements in place at the Trust compared to the expected systems that would be in place in the sector.

Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	*Risk assessment*	Summary of arrangements
Financial sustainability	***Significant risk identified***	**No significant weaknesses identified**
Governance	***No significant risks identified***	**No significant weaknesses identified**
Improving economy, efficiency and effectiveness	***Significant risk identified***	**No significant weaknesses identified**

Value for money

Financial sustainability	
Description	**Commentary on arrangements**
This relates to ensuring that the Trust **has sufficient arrangements in place to be able to continue to provide its services within the resources available to it**. We considered the following areas as part of assessing whether sufficient arrangements were in place: ▪ How the Trust sets its financial plans to ensure services can continue to be delivered; ▪ How financial performance is monitored and actions identified where it is behind plan; and ▪ How financial risks are identified and actions to manage risks implemented.	**Summary of risk assessment** NHS organisations are continuing to operate in an extremely challenging environment. Following a two year period where focus has been by necessity on the management of the Covid-19 pandemic, for 2022/23 there is an expectation of renewed focus on financial grip at both individual Trust and wider system level within a context of continued operational and workforce pressures. The Trust reports through the Shropshire, Telford and Wrekin ICS as its lead ICS for funding purposes. The compilation of the 2022/23 financial plan followed a broadly similar approach to the previous year in that it was built upon divisional submissions triangulating workforce, operational and financial elements and based on 2021/22 underlying expenditure, taking into account cost pressures, potential service developments and identifying efficiencies. To enable prioritisation, these were discussed in detail by the Director of Finance and Chief Operating Officer prior to review by Finance and Performance Assurance Committee (FPAC). Alongside this, the plan was subject to further scrutiny and refinement through the system itself and the regional NHSE team in the context of the wider system performance target. The plan was approved by FPAC in April 2022, followed by further amendment and refinement at both Trust and system level in line with NHSE guidance ahead of a final plan submission in June 2022. This showed a planned deficit for the Trust of £19.1m as part of an overall system target of £19.0m, but it was recognised within supporting papers that this carried a significant risk to delivery. The Trust completed the HFMA "Improving NHS Financial Sustainability" self-assessment checklist and, as required by NHSE, commissioned its internal auditors (MIAA) to undertake a review of the checklist. This review was reported to Audit and Risk Assurance Committee (ARAC) in February 2023. The report validated the Trust's self-assessed score for the 12 NHSE-specified questions and made two recommendations to enhance the supporting evidence for these questions. The month 10 finance report to be taken to FPAC in February 2023 shows the Trust delivered a year to date (YTD) deficit of £38.5m against a YTD plan of £17.2m. This is largely due to additional costs associated with providing escalation capacity in response to operational pressures, extra staffing costs associated with sickness absence and vacancies as well as higher Covid-costs, the original plan assuming a lower Covid prevalence. We understand the Trust has agreed a revised forecast deficit of £47.5m with system colleagues and NHSE.

Value for money

Financial sustainability	
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This relates to ensuring that the Trust **has sufficient arrangements in place to be able to continue to provide its services within the resources available to it**. We considered the following areas as part of assessing whether sufficient arrangements were in place: ▪ How the Trust sets its financial plans to ensure services can continue to be delivered; ▪ How financial performance is monitored and actions identified where it is behind plan; and ▪ How financial risks are identified and actions to manage risks implemented.	**Summary of risk assessment (cont'd)** In light of the significant deterioration in the forecast 2022/23 outturn compared to that planned, in early 2023 the Trust was subject to an independent review of its financial position and forecasts by a consultant engaged by the NHSE National Office. Their Interim Report commented the Trust were able to substantiate the current position and forecasts via detailed evidence and workings and noted the majority of the adverse variance against plan was due to escalation costs. The Interim Report identified a number of short-term actions with a view to stabilising and improving the financial position which included formalising the approach to financial recovery through setting up a Financial Recovery Board, a system-wide focus on escalation capacity, a review of the non-recurrent benefits within the financial plan and a review of the balance sheet (although the report notes the Trust had already undertaken some work in this regard). We will follow up on any further findings from this review and progress against associated recommendations during the final audit phase. The Trust's cash position at the end of month 10 was £13m. This takes in account cash support from NHSE of c.£28m with a further £5m having been approved for February 2023. The year end balance is forecast at c.£3m. Daily cashflow monitoring is undertaken by the Treasury Management team with weekly oversight by senior management and regular reporting on the rolling cashflow forecast to NHSE. In terms of the wider system position, at month 10 the system reported a £33.6m adverse variance to plan (of which £21.3m related to the Trust as indicated above). The full year forecast outturn deficit was reported at £65.8m, £46.7m adverse to plan, although adjusting for non-recurrent items, the underlying deficit is forecast at £87.8m. Following the cessation of formal reporting against Cost Improvement Plans (CIP) in the wake of the pandemic, from 2022/23, the Trust is required to report its performance against CIP targets to NHSE monthly through the Provider Finance Return. For 2022/23 the Trust committed to deliver 1.6% in line with the national requirement, equating to £7.66m, which has been split between Trust-wide and local division schemes and includes both pay and non-pay opportunities. In addition the Trust agreed to a £3m system wide efficiency relating to workforce. Individual efficiency schemes are developed by scheme leads in conjunction with the Project Management Office (PMO) and require appropriate Project Initiation Documents and Quality / Equality Impact Assessments. Once approved at a Divisional level they are reviewed by the Efficiency and Sustainability Group (ESG) and signed off by the relevant Executive Directors. ESG has primary responsibility for the tracking of efficiency schemes and reviewing risks to delivery. This group meets monthly, is chaired by the Deputy Director of Finance – Operational and is attended by Divisional representatives who provide an update on progress in their respective areas. Overall delivery and progress is regularly reported to the Senior Leadership Committee - Operational (SLCO), the Innovation and Investment Committee (IIC) and FPAC, with a summary page in the IPR enabling full Board oversight. The month 11 Efficiency Programme Update presented to FPAC showed an overall year to date delivery of £6.82m against a plan of £8.82m. The majority of this shortfall (c.£1.8m) related to the system-wide delivery element which is reflective of continued operational pressures over recent months.

Value for money

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Value for money

Financial sustainability	
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Value for money

Financial sustainability

Description

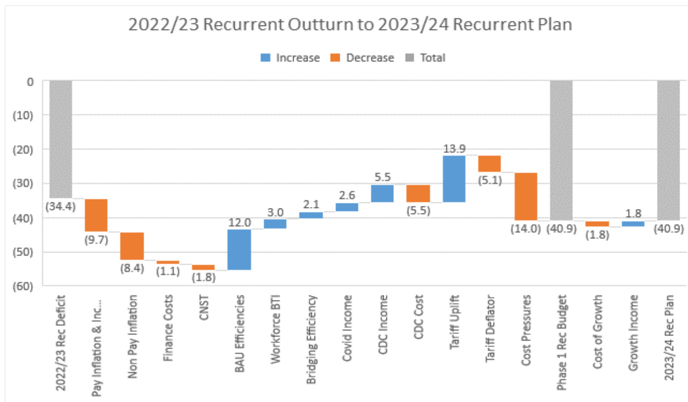
This relates to ensuring that the Trust **has sufficient arrangements in place to be able to continue to provide its services within the resources available to it**.

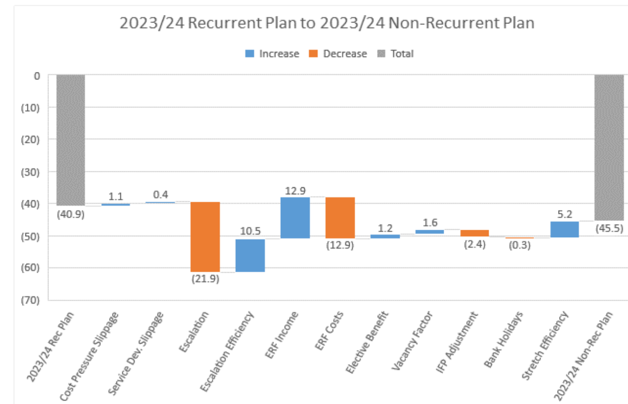
We considered the following areas as part of assessing whether sufficient arrangements were in place:

- How the Trust sets its financial plans to ensure services can continue to be delivered;
- How financial performance is monitored and actions identified where it is behind plan; and
- How financial risks are identified and actions to manage risks implemented.

Commentary on arrangements

Year end follow up (cont'd)





As part of the system partners' agreement to the 2023/24 plan, several caveats were agreed between them including strengthening the system governance around the delivery of the system plan and the urgent development of a five-year plan to support better planning oversight. The ICS paper of 30 May 2023 notes that the system has been asked to present a long term plan and financial recovery trajectory to the national NHSE team by September 2023, and that in a "do nothing" scenario, based on current assumptions, the underlying system recurrent deficit could escalate to over £250m by 2028/29.

Monthly Finance Reports continue to be provided on a regular and timely basis to the Trust's FPAC covering amongst other things, performance to date and associated variance analysis, efficiency delivery versus plan and updates on capital programmes and cashflow. Onward reporting to the Board is provided by via a one page "Key Issues Report" which summarises the agenda of the FPAC meeting and any matters for the attention of the Board, including any required mitigating actions as necessary, assurances and any emerging risks.

The Trust is also continuing to carefully monitor its financial position and performance through the weekly Executive-led Financial Governance Group (FGG) which has a focus on the key metrics underpinning the delivery of the operational plan including the use of agency staff, again with mitigations as appropriate, and has a direct reporting line to the Trust Executive team with a monthly summary provided to the Trust Board.

Value for money

Financial sustainability	
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Value for money

Governance

Description	Commentary on arrangements
This relates to the **arrangements in place for overseeing the Trust's performance, identifying risks to achievement of its objectives and taking key decisions**. We considered the following areas as part of assessing whether sufficient arrangements were in place: ▪ Processes for the identification and management of strategic risks; ▪ Decision making framework for assessing strategic decisions; ▪ Processes for ensuring compliance with laws and regulations; and ▪ How controls in key areas are monitored to ensure they are working effectively.	**Summary of risk assessment** Following the 'modernisation' of its risk management processes in 2021/22, which included the introduction of a revised risk management policy, a process guide and training materials for risk owners, refreshing the approach to risk reporting escalation and the reinstatement of the Trust's Risk Management Committee, the Trust has continued to progress and embed this approach during 2022/23. The Risk Management Committee is fed by risk reporting from the divisional governance meetings, is chaired by the Director of Governance and Communications and has met in the majority of months during 2022/23 to date. During the year, the Trust also transitioned to Datix as its risk management system, having previously used 4risk, which enables a more structured approach to the review and updating of risks based on the severity of the risk. The Board Assurance Framework (BAF) is updated and presented quarterly to FPAC, ARAC, Quality & Safety Assurance Committee and onwards to Board. The BAF report highlights the significant changes since the previous quarter, the Trust's top scoring risks and any mitigations. The most recent Q3 update went to Board in February 2023. We understand the Board have recently undertaken a review of the Trust's risk appetite, the output of which will be formally reported in April. Both the Internal Audit service and the Local Counter Fraud Service (LCFS) are provided by MIAA. They have agreed work plans and report progress to each meeting of ARAC, with a Head of Internal Audit opinion provided at the end of the financial year. The overall opinion provided for 2021/22 was Limited Assurance. We understand that there have been two "High" assurance reviews (both within key financial controls), three "Substantial" assurance reviews (two key financial controls and Ockenden progress review) and one "Limited" assurance review (Governance of Nurse Staffing Levels) completed in 2022/23 to date. We found there to be appropriate scrutiny and challenge of budgets and appropriate approval through the F&P Assurance Committee (FPAC). Budget monitoring reports are distributed to all budget holders on the 7th working day of each month including a budget statement and associated reports, with Specialties and Divisions receiving aggregated data. The finance team provide support to budget holders tailored to their needs with more input naturally being required in the case of more complex issues. Whilst operational pressures continue to be challenging at peak times, more meetings are now held face to face rather than virtually which supports the quality of the discussions. Discussions between Finance Managers and budget holders appear to allow for appropriate challenge and response to adverse variances. Meetings our documented using a standard Excel proforma which includes a summary of the position across income, pay and non-pay areas and any actions arising in each of these areas. Divisional meetings are held to discuss and challenge monthly financial performance, which include the nominated Senior Finance Officer for the division, Divisional Directors of Operations, a representative from HR, Divisional Directors of Nursing and Medical Director in order to provide scrutiny on a multi-disciplinary basis.

Value for money

Governance

Description	Commentary on arrangements
This relates to **the arrangements in place for overseeing the Trust's performance, identifying risks to achievement of its objectives and taking key decisions**. We considered the following areas as part of assessing whether sufficient arrangements were in place: ▪ Processes for the identification and management of strategic risks; ▪ Decision making framework for assessing strategic decisions; ▪ Processes for ensuring compliance with laws and regulations; ▪ How controls in key areas are monitored to ensure they are working effectively.	**Summary of risk assessment (cont'd)** In addition, monthly Executive team led Performance Review meetings are undertaken in conjunction with the Divisions. Our review of the papers and associated minutes from these meetings indicated there was sufficient detail to understand any significant variances to plan, and appropriate evidence of challenge. FPAC receive monthly finance reports in a standardised format, although this continues to be adapted and now includes an update on the forecast year end position. Overall compliance with legislation, laws & regulations is overseen by the Trust Board and relevant assurance committees. Changes to regulatory requirements are identified through legal and health & safety functions. The Trust has policies in place to guard against fraud including an Anti-Bribery and Fraud Policy and a freedom to Speak Up: Raising Concerns (Whistleblowing) Policy and there are codes of conduct for both Board members and staff, which are published on the staff intranet site. The Managing Conflicts of Interests policy incorporates the policies around gifts and hospitality and is supplemented by standard declaration pro-formas. The policy was recently updated and was approved by Board in October 2022. This included the expansion of the definition of decision makers, which has led to a significant increase in the number of declarations made, and the Trust is exploring whether to incorporate declaring of interests into ESR to aid reporting and monitoring of compliance. Declarations of interest is a standing agenda item at each meeting of the Trust Board and its sub-committees. Key strategic decisions are made via the Trust's governance process with a scheme of delegation in place setting out where different decisions / approvals should take place. The Business Case Review Group (BCRG) established in early 2022 continues to operate together with a business case register. The purpose of the group is to support the Trust's revenue investment decisions ensuring that the limited funding available is directed in the most efficient way to achieve maximum benefits. The BCRG will support the development of business cases, make recommendations to the Trust Board sub-committees around investment decisions and report on the benefits and delivery of previously approved investments. The BCRG forms an integral part of the operational planning cycle to ensure cases are properly prioritised, and reports monthly to the IIC via a standard report. IIC are able to approve business cases of up to £100k with up to £500k going to SLCO and above that level to full Board. **Conclusion** ***Based on the procedures performed we have not identified any significant risks that the Trust does not have sufficient governance arrangements in place to oversee and monitor achievement of value for money.***

Value for money

Improving economy, efficiency and effectiveness

Description

This relates to **how the Trust seeks to improve its systems so that it can deliver more for the resources that are available to it**.

We considered the following areas as part of assessing whether sufficient arrangements were in place:

- The planning and delivery of efficiency plans to achieve savings in how services are delivered;
- The use of benchmarking information to identify areas where services could be delivered more effectively;
- Monitoring of non-financial performance to assess whether objectives are being achieved; and
- Management of partners and subcontractors.

Commentary on arrangements

Summary of risk assessment

Maternity Services and Ockenden

During 2022/23, the Trust has continued to progress its response to both the initial Ockenden Report of December 2020 “Emerging Findings and Recommendations from the Independent Review of Maternity Services at the Shrewsbury and Telford Hospital NHS Trust”, and the final report of March 2022 “Findings, Conclusions and Essential Actions from the Independent Review of Maternity Services at the Shrewsbury and Telford Hospital NHS Trust”.

Whilst the Trust maintains a separate Ockenden Report Action Plan, progress against which is regularly reported to the Trust Board, it is only one part of the Trust’s wider maternity transformation programme and as such, all actions have been cross-referenced to the Trust’s existing Maternity Improvement Plan (MIP) which also includes CQC-related actions.

The MTP comprises 6 separately led work streams which report into the weekly Maternity Transformation Programme Group (MTPG) and onwards to the monthly Maternity Transformation Assurance Committee (MTAC) and the Ockenden Report Assurance Committee (ORAC). MTAC is chaired by the Director of Nursing and plays a key role in reviewing the evidence base for completion and embeddedness of actions and recommending these (or otherwise) to ORAC. The latter is a sub-committee of the main Board which provides assurance on Ockenden completion. It is externally-facing with an independent co-chair, representation from a range of partner organisations including the ICB and is live streamed to the public.

The Trust has continued to utilise and bespoke the cloud-based programme management software, “monday.com”. This has enabled enable clear tracking of progress against the Ockenden actions, storage of associated evidence as well as an audit trail of reporting provided to MTAC.

The 210 Ockenden actions comprise 52 from the initial report and 158 from the final report, with 117 “Immediate and Essential Actions” applicable to all providers and 93 “Local Actions for Learning” relating to SaTH only. The dashboards on monday.com at the end of March 2023 highlighted:

- Delivery Status - 48 were “not yet delivered”, 32 “delivered, not yet evidenced” and 130 “evidenced and assured”; and
- Progress Status – 31 “on track - embedding”, 37 “on track – delivery”, and 130 “completed”, 10 “on hold / descoped” and 2 “off track”. Management indicated that “descoped” actions are those where the work required to deliver the action sits outside the scope of the programme or cannot be delivered by the programme. In these cases the Trust creates an “exception report” which explains this along with mitigating actions. All descoped actions are formally reviewed quarterly.

Value for money

Improving economy, efficiency and effectiveness	
Description	**Commentary on arrangements**
This relates to how the Trust seeks to improve its systems so that it can deliver more for the resources that are available to it. We considered the following areas as part of assessing whether sufficient arrangements were in place: ▪ The planning and delivery of efficiency plans to achieve savings in how services are delivered; ▪ The use of benchmarking information to identify areas where services could be delivered more effectively; ▪ Monitoring of non-financial performance to assess whether objectives are being achieved; and ▪ Management of partners and subcontractors.	**Summary of risk assessment (cont'd)** ***Maternity Services and Ockenden (cont'd)*** We note that some of the actions have third-party dependencies, for example are being led by the ICB. The Ockenden progress report to the Board includes a summary of the rating changes approved by MTAC since the previous Board update, and to demonstrate challenge, any actions where proposed rating changes were rejected by MTAC. Whilst there clearly remains work to be done, the profile of delivery of actions as reported to MTAC through the year indicates steady progress has been made in the year to date. We understand the overall intention remains to deliver all actions by March 2024. As part of their 2022/23 annual plan, the Trust's internal auditors undertook a review of the Trust's compliance with the Immediate and Essential actions from the first Ockenden Report, which resulted in a "Substantial Assurance" conclusion. The "NHS Maternity Services Survey 2022 Benchmark Report" involving 121 acute trusts was positive for SaTH overall, highlighting the Trust performed better than most other trusts on 6 of the questions and "about the same" on 45 questions. The Trust was subject to a quality visit by Health Education England in January 2023 which commented positively on the support provided to midwifery students and the improvements in culture meaning that students felt comfortable raising concerns over safety etc. ***CQC*** The Care Quality Commission (CQC) last undertook an inspection of the Trust in July and August 2021. The CQC inspected four areas and services, urgent and emergency care, medical care, and end of life care at both the Royal Shrewsbury Hospital and the Princess Royal Hospital, and maternity services at the Princess Royal, as well as undertaking a "well-led" inspection for the Trust overall. Overall the Trust rating remained as "inadequate" with the Maternity was also unchanged from the previous inspection at "requires improvement". Following a review by the CQC in February 2022, the Trust continues to have five Section 31 conditions of registration placed on its licence. These comprise four across the regulated activity 'treatment of disease, disorder and injury' and one relating to 'assessment of medical treatment for persons detailed under the Mental Health Act (1983)'. The CQC update report presented to the Quality Operational Committee in March 2023 includes a summary of the actions within the overall CQC Improvement Plan. Of a total of 258 actions, 182 are "evidenced and assured", 52 are "complete" with the remainder "not yet delivered" although the majority of these are "on track".

Value for money

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Value for money

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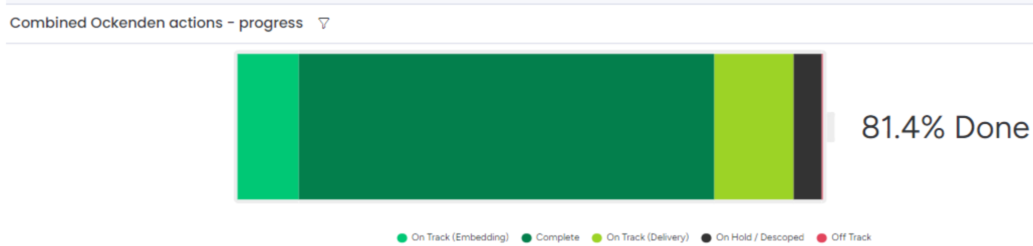
- The planning and delivery of efficiency plans to achieve savings in how services are delivered;
- The use of benchmarking information to identify areas where services could be delivered more effectively;
- Monitoring of non-financial performance to assess whether objectives are being achieved; and
- Management of partners and subcontractors.

Commentary on arrangements

Year end follow up (cont'd)



Further to the above, the report to Board dated 8 June 2023 highlights a total of 38 out of 210 actions across the two reports as "*not yet delivered*", comprising 5 from the first report and 33 from the final report.

Value for money

Improving economy, efficiency and effectiveness

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- The planning and delivery of efficiency plans to achieve savings in how services are delivered;
- The use of benchmarking information to identify areas where services could be delivered more effectively;
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- Management of partners and subcontractors.

Commentary on arrangements

Year end follow up (cont'd)

We have discussed with management the status of these as recorded on *monday.com,* the cloud-based programme management software used by the Trust for this project, as led and developed by the Senior Project Manager for the Maternity Transformation Programme. This is summarised in the table below:

	On track (c)	*Descoped / on-hold (d)*	*Off track (e)*	*Total*
Internal dependency (a)	22	2	-	**24**
External dependency (b)	6	7	1	**14**
TOTAL	**28**	**9**	**1**	**38**

(a) Internal dependency – action entirely within the Trust's gift
(b) External dependency – requires national / regional action (e.g. via NHSEI, CQC)
(c) On-track – action anticipated to be delivered by planned deadline
(d) Descoped / on-hold – action where the work required to deliver the action sits outside the scope of the programme or cannot be delivered by the programme in which case the Trust creates an "exception report" as noted above
(e) Off-track – action expected to miss its planned deadline, so requires mitigating steps to bring it back on track

To the enable the actions to be prioritised, they had been risk scored at the outset using the same methodology as the Trust's Board Assurance Framework (maximum score of 25) based on *"the risk to women and families of the action not being delivered".* We noted that the average risk score across the "*not yet delivered"* actions is below 10, with just one with the highest score of 20. The Trust has discussed this with the external party, the Local Maternity and Neonatal System, and pending further input from them, it will be flagged as "off-track" with an exception report going to the July 2023 MTAC meeting.

The *descoped* or *on-hold* actions are reviewed by MTAC quarterly to ensure their status remains appropriate, with mitigating action taken in relation to any *off-track* actions, including revising the delivery dates where necessary. Over half of the actions have planned delivery dates in the second half of 2023, although we note the target date for completion of all actions continues to be 31 March 2024, the date agreed by the Board at the start of the programme. In this context, we note the MTAC papers report that throughout the year, the actual delivery of actions has remained ahead of that originally profiled, based on an initial assessment of time and resources needed to deliver them at the outset, which informed the content of the "sprints", these being a specific number of actions targeted to be delivered between each MTAC meeting.

For those actions with external dependencies, these are reported to the Board through the routine monthly progress reports and the Trust is actively and formally applying pressure in order to obtain traction on these matters. We understand these will be the focus of an upcoming maternity team away day, with a subsequent report to the July 2023 MTAC meeting.

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