



# North Bristol NHS Trust

Auditor's Annual Report  
Year ending 31 March 2025

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 North Bristol Trust during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the NHS Trust are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

## Opinion on the financial statements

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

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

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

## Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of an NHS body has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State and notified to NHS England. They may also issue:

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

## Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

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

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

# The NHS – context for North Bristol NHS Trust

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.

### 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.

## Local

North Bristol NHS Trust (the Trust) provides health care in the South-West of England, with an annual turnover of around £1.1 bn. Of this, approximately 90% comes from commissioning through Bristol, North Somerset and South Gloucestershire (BNSSG) Integrated Care Board (ICB) and specialist services through NHS England for direct patient care. Clinical services the Trust provides include urgent and emergency care, acute care, specialist services and diagnostic services.

During 2024/25 the Trust improved performance in key areas such as referral to treatment times, diagnostic test waits and waiting times for cancer treatment. However, there continued to be significant pressure on the bed base due to a high number of patients not meeting the criteria to reside in the hospital remaining as inpatients, and this continues to impact on Urgent and Emergency Care flow through the hospital, and on the Trust’s Emergency Department 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
<b>Financial sustainability</b>	<b>A</b> No significant weaknesses identified; improvement recommendations raised in relation to developing efficiency opportunities and financial planning reporting.	One risk of significant weakness identified in relation to the delivery of the Cost Improvement Programme recurrent schemes.	<b>A</b> Our work did not identify any areas where we considered that a key recommendation is necessary. We have raised one improvement recommendation to support the Trust in developing and delivering recurrent efficiencies.
<b>Governance</b>	<b>A</b> No significant weaknesses identified; improvement recommendations raised in relation to reporting on the People and Quality Triangulation Group and tender waivers.	No risks of significant weakness identified	<b>G</b> Our work did not identify any areas where we considered that key or improvement recommendations were required. We have highlighted one opportunity for further improvement in respect of committee reporting.
<b>Improving economy, efficiency and effectiveness</b>	<b>A</b> No significant weaknesses identified; improvement recommendations raised in relation to contract management monitoring.	No risks of significant weakness identified	<b>G</b> Our work did not identify any areas where we considered that key or improvement recommendations were required. We have highlighted one opportunity for further improvement in respect of contract management.

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

# Executive Summary

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



## Financial sustainability

The Trust has appropriate arrangements in place to identify, manage and report financial risks.

For 2024/25 the Trust has reported a breakeven position, as planned. For 2025/26 the Trust is again planning to breakeven, utilising £8.1m of deficit support funding and £7.7m of non-recurrent mitigations.

In 2024/25 the Trust missed its planned recurrent efficiency target by £6.5m. The efficiency plan for 2025/26 is £40.6m which is almost double the £22.1m achieved in 2024/25. To support the Trust in achieving this we have raised an improvement recommendation to further strengthen arrangements supporting deliver of this challenging savings target.

We include further detail on the following pages.



## Governance

The Trust has appropriate arrangements in place to ensure effective internal control and to support effective decision making.

Budget setting arrangements are sound, with appropriate reporting to committee and Board.

Enhancements in reporting tender waivers have strengthened the Audit and Risk Committee oversight of procurement activity.

We include further detail on the following pages.



## Improving economy, efficiency and effectiveness

The Trust has appropriate arrangements in place to deliver economy, efficiency and effectiveness.

The Trust uses financial and performance information effectively, with comprehensive reporting to Board. Improvement plans are developed and monitored in response to external inspections.

Partnership working and stakeholder engagement supports system-wide collaboration.

Contract management arrangements are reasonable, although we have identified an opportunity for further development.

We include further detail on the following pages.

# 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. Our work in this area is ongoing. We will report our findings in detail in our Audit Findings Report which we will present to the Audit and Risk Committee on 19 June. We will then update this report as appropriate before final submission to the National Audit Office.

## Auditor’s responsibility

## 2024/25 outcome

### Opinion on the Financial Statements

We issued an unqualified opinion on the Trust’s financial statements for the year ended 31 March 2025 on 26 June 2025. Our findings are set out in further detail on pages 11 to 13.

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

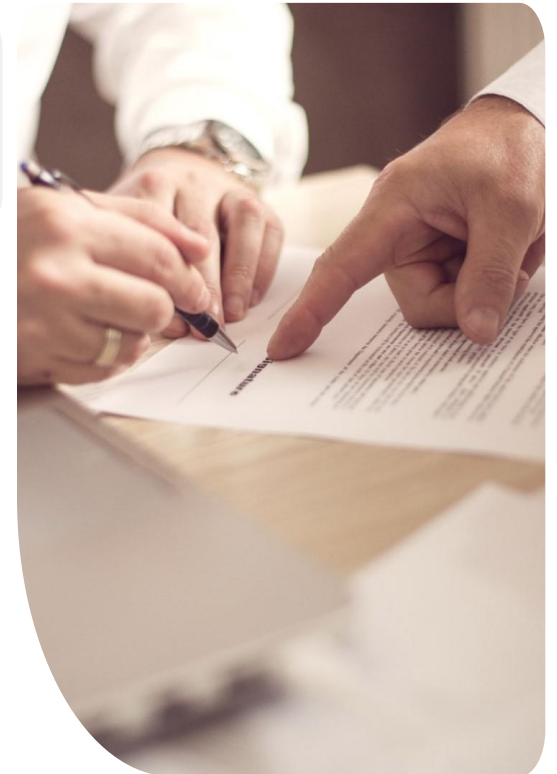
### Use of auditor’s powers

#### Section 30 referral

Despite income exceeding expenditure over the previous five-year period, the Trust reported a cumulative deficit of £87.610 million at 31 March 2025 and remains in technical breach of it’s breakeven duty as detailed in the guidance. The Trust therefore continues to take a course of action that is unlawful and has caused a loss which gives rise to a duty on us to report to you under section 30(b) of the Local Audit and Accountability Act 2014 in respect of the five-year period ending 31 March 2025.

On 16 May 2025 we therefore issued a Section 30 referral to the Secretary of State covering the financial year ending 31 March 2025.

No other issues have been identified during our work which require us to make statutory recommendations or issue a Public Interest Report (PIR).



# **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, as at 5 June, and whether we have used any of the other powers available to us as the Trust's auditors. Our work in this area is ongoing. We will report our findings in detail in our Audit Findings Report which we will present to the Audit and Risk Committee on 19 June. We will then update this report as appropriate before final submission to the National Audit Office.

## Audit opinion on the financial statements

We issued an unqualified opinion on the Trust's financial statements for the year ended 31 March 2025 on 26 June 2025.

The full opinion will be included in the Trust's Annual Report for 2024/25 which, in due course, 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, supported by detailed working papers and we had prompt responses to our audit queries.

## 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 and Risk Committee on 19 June 2025. Requests for this Audit Findings Report should be directed to the Trust.

# Other reporting requirements and use of auditor's powers

## Remuneration and Staff Report (subject to conclusion of our audit testing)

Under the Code of Audit Practice (2024) published by the National Audit Office, we are required to audit specified parts of the Remuneration and Staff Report included in the Trust's Annual Report for 2024/25.

These specified parts of the Remuneration and Staff Report have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2024/25.

## Annual Governance Statement (subject to conclusion of our audit testing)

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.



# Use of auditor's powers

We bring the following matters to your attention:

## Referrals to the Secretary of State

Despite income exceeding expenditure over the previous five year period, the Trust reported a cumulative deficit of £87.610 million at 31 March 2025 and remains in technical breach of its breakeven duty as detailed in the guidance. The Trust therefore continues to take a course of action that is unlawful and has caused a loss which gives rise to a duty on us to report to you under section 30(b) of the Local Audit and Accountability Act 2014 in respect of the five-year period ending 31 March 2025.

On 16 May 2025 we therefore issued a Section 30 referral to the Secretary of State covering the financial year ending 31 March 2025.

## Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body.

We did not issue any statutory recommendations to the Trust in 2024/25.

## Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a report in the Public Interest with regard to arrangements at North Bristol NHS Trust for 2024/25.

# **04 Value for Money commentary on arrangements**

# Value for Money – commentary on arrangements

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

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

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



## Financial sustainability

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



## Governance

Arrangements for ensuring that the Trust makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, 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
<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>The Trust has reasonable arrangements in place to ensure that it identifies all significant financial pressures and builds these into its plans. For 2024/25 the Trust has reported a £0.03m surplus against a breakeven plan. The Trust managed some challenges around inflation and additional block contract activity not being fully funded, but additional controls alleviated this.</p> <p>For 2025/26 the Trust has submitted a balanced financial plan. Financial planning reporting to Board explains that the plan is compliant across performance metrics and sets out the key activity planning assumptions and associated deliverables. These follow national planning guidance. The plan includes £8.1m provider deficit support (as per the Medium Term Financial Plan (MTFP)) and £7.7m of non-recurrent mitigations.</p> <p>The Trust has considered the main risks to the financial plan. The Trust recognises that the MTFP needs to be re-visited, but is aware of the likely scale of savings over the next few years. As the Trust recognises the need to revisit the MTFP, and is aware of the financial challenge over the next few years, we have not raised an improvement recommendation.</p>	<p>G</p>

- 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

We considered how the Trust:	Commentary on arrangements	Rating
plans to bridge its funding gaps and identify achievable savings	<p>The Trust recognises that it needs to improve arrangements to bridge its funding gaps and identify achievable savings. For 2025/26 the efficiency target of £40.6m represents 5% of income. In 2024/25 the Trust had a recurrent efficiency target of £28.7m, achieving £22.2m. The Trust therefore fell £6.5m short of its efficiency plan. The plan for 2025/26 is nearly double that achieved. The Trust has made some changes to how it plans to deliver efficiencies in 2025/26, including the new procurement system and governance arrangements and asking divisions to deliver transformational type schemes.</p> <p>The significant efficiency challenge the Trust faces in 2025/26, coupled with not delivering planned efficiency schemes in full in 2024/25, leads us to raise a refreshed improvement recommendation.</p>	A
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	<p>The Trust has appropriate arrangements in place to plan finances to support the sustainable delivery of services. The Operational Plan 2025/26 clearly aligns to the Trust's strategy and values explaining how it will deliver healthcare, including in key areas such as activity plans; elective care; cancer; diagnostics; productivity; and UEC. The plan also sets out how it supports improving health inequalities. The Bristol Surgical Centre is a key ongoing joint capital project between the Trust and University Hospitals Bristol and Weston NHS Foundation Trust (UHBW), supported by Bristol, North Somerset and South Gloucestershire (BNSSG) Integrated Care Board. It is planned to open in Summer 2025, enabling up to 6,500 additional operations to be carried out across Bristol, North Somerset and South Gloucestershire every year.</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.

# Financial sustainability – commentary on arrangements (continued)

We considered how the Trust:	Commentary on arrangements	Rating
<p>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</p>	<p>The Trust has appropriate arrangements in place to ensure that its financial plan is consistent with other plans. Planning reporting to Board includes sections on workforce (covering workforce supply, retention, growth, cost reduction, noting the planned reduction of 180 substantive posts, temporary staffing and productivity); clinical aspects (including activity plans, elective care, cancer, diagnostics, productivity, and Urgent and Emergency Care) and estates (including the ongoing construction of the Bristol Surgical Centre). The Trust recognises that the evolving group structure with UHBW will require an updated Estates Plan.</p>	<p>G</p>
<p>identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans</p>	<p>The Trust has appropriate arrangements in place to identify and manage risks to its financial resilience. Finance reports to Board clearly set out the key risks, ICS-wide challenges and actions being taken to mitigate the risks. The Board Assurance Framework, also presented to Board, includes financial risks and actions being taken. Planning reports to Board for 2025/26 also explain the key risks - the main one being achieving the planned efficiencies.</p>	<p>G</p>

- 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 and delivering recurrent savings

**Findings:** The Trust needs to identify and develop realistic and achievable efficiency plans earlier.

**Evidence:** For 2024/25 the Trust had a total Cost Improvement Programme (CIP) of £28.7m. It achieved £22.2m, leaving a shortfall of £6.5m. The 2025/26 financial plan, approved by NHSE, is for efficiencies of £40.6m, including £16.6m pay; £9.6m non-pay and £10.2m income. In its submission to NHSE at the end of March, the Trust assessed the £40.6m as £28.3m "High" risk; £12.3m "Medium" and £0m "Low" risk. £0m was assessed as "Fully Developed"; £12.9m "In progress"; £23.4m "Opportunity" and £4.2m "Unidentified". We understand that the Trust will revisit this assessment as it believes some schemes are further developed and more certain than reflected in the submission.

Notwithstanding any re-assessment, £40.6m represents 5% of the Trust's income and is nearly double the amount achieved in 2024/25. In our prior year report we raised an improvement recommendation "In order to increase the percentage of efficiencies delivered, the Trust should ensure that CIP schemes are fully developed early in the financial year and are realistic and achievable." The Trust recognises that it need to improve its delivery of recurrent efficiencies in order to move to a recurrently balanced financial position.

**Impact:** Not delivering the planned recurrent savings puts the Trust's financial plan at risk.

## Improvement Recommendation 1

**IR1:** In order to improve delivery of recurrent efficiencies to move to a recurrently balanced financial position and meet the significant efficiency challenge for 2025/26, the Trust needs to develop Cost Improvement Programme schemes earlier so that there is more likelihood of delivery.

		CIP		
		Recurrent	Non-recurrent	Total
		£m	£m	£m
2024/25 plan	<b>Total</b>	28.7	0	<b>28.7</b>
2024/25 actual	<b>Total</b>	22.2	0	<b>22.2</b>
2025/26 plan	<b>Total</b>	40.6	0	<b>40.6</b>

# 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 satisfactory arrangements in place to monitor and assess risk and to gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud. The Board Assurance Framework (BAF) is reviewed quarterly by the Board and maps risks to strategic objectives, with clear ownership, structured scoring, and defined assurance sources. The Trust’s Risk Management Strategy outlines clear processes for identifying, assessing, and escalating risks, supported by regular staff training and integration with incident reporting and audit outcomes. Internal Audit activity is well structured and provides annual assurance to the Board, with clear monitoring of audit recommendations. The Audit and Risk Committee receives regular and detailed updates on audit progress, risk mitigation actions, and counter-fraud activities, enabling effective oversight and challenge. Active fraud investigations, outcomes, and learning are reported to the Committee. Please see the next page where we highlight an opportunity for further improvement.	G
approaches and carries out its annual budget setting process	The Trust has appropriate annual budget setting arrangements in place. Planning for 2025/26 began in September 2024, and included updates to Finance, Digital and Performance Committee and Trust Board, as well as through Executive Team Meetings and Senior Leadership Groups. Planning sessions have been held with each division and corporate directorates in January, February and March. This ensures that planning from a divisional level continues to support the setting of deliverable plans - which in turn align with the national planning requirements.	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 committee 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 has implemented the agreed prior year improvement recommendation to enhance reporting structures, with relevant information from the People and Quality Triangulation Group included through the People Oversight Group and Freedom to Speak Up reporting.
- However, the group is not explicitly named in Board or Committee papers, limiting visibility of its role and impact.

## What others do well

- In other organisations, we have seen supporting groups being clearly referenced in Committee and Board reports. This includes summary sections outlining key outcomes and how these groups contribute to overall oversight mechanisms. This approach improves transparency and traceability.

## The Trust could consider

- The Trust should consider explicitly referencing the People and Quality Triangulation Group in Committee and Board papers to strengthen transparency and clearly demonstrate how its outputs support the Trust's strategic objectives.

# Governance – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
<p>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</p>	<p>In year financial reporting to Board clearly explains the in month and year to date position, the CIP delivery and cash position. Key risks are explained. The detailed report includes section on key areas such as Contract Income; Elective Recovery Fund; Pay; Non pay and commissioned income; savings; capital; cash position; better payments code compliance and debt and risks and mitigations. A clear understanding is therefore provided.</p> <p>As in previous years we have made a referral to the Secretary of State under section 30b of the Local Audit &amp; Accountability Act 2024 as the Trust is still in breach of its cumulative breakeven duty.</p>	<p>G</p>

- 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
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>The Trust has appropriate arrangements to ensure decisions are informed, evidence-based, and open to challenge. Board and committee structures provide clear oversight of financial, operational, quality, and strategic risks prior to decision-making. Decisions are supported by detailed reports, executive summaries, and risk assessments, ensuring transparency and accountability. Committees provide regular upward reports summarising key risks and actions, which support Board-level scrutiny. The Audit and Risk Committee demonstrates effective challenge of both auditors and executives.</p>	<p>G</p>
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>The Trust has adequate arrangements in place to monitor and ensure compliance with legislative and regulatory standards, as well as standards of behaviour for officers and Board members. The Trust maintains clear processes for declarations of interest, gifts, and hospitality, with an up-to-date public register that supports transparency and helps to manage potential conflicts. The Standing Financial Instructions (SFIs) set out defined procurement procedures, including the use of waivers, with approval and reporting requirements. We confirmed the Audit and Risk Committee papers receive commentary on Single Tender Actions (STAs), evidencing improved reporting and a reduction in non-compliant activity. This confirms the previous year’s improvement recommendation regarding waiver reporting is complete.</p>	<p>G</p>

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

# Economy, efficiency and effectiveness – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	The Trust uses financial and performance information to assess performance and identify areas for improvement. The Trust demonstrates appropriate arrangements through regular reporting to the Board via the Integrated Performance Report, supported by benchmarking, risk ratings, and narrative analysis to explain variances and actions. Any limitations around the data presented are clearly explained. Internal Audit Data Quality reviews and the Quality Account provide assurance that data underpinning performance reports is subject to validation and monitoring.	G
evaluates the services it provides to assess performance and identify areas for improvement	The Trust adequately evaluates the services it provides through structured external and internal review processes. Care Quality Commission (CQC) inspections in maternity and deteriorating patient care have resulted in targeted improvement plans, with progress monitored by the Quality Committee and reported to the Board. The Trust remains in segment two of the NHS Oversight Framework, this classification indicates that the Trust is considered to have some areas for improvement but is overall performing satisfactorily.	G

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

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

We considered how the Trust:	Commentary on arrangements	Rating
<p>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>	<p>The Trust has appropriate arrangements for working in partnership and engaging with stakeholders to support the delivery of its strategic objectives. It actively participates in system-wide initiatives through the BNSSG Integrated Care System, contributing to joint planning, locality partnerships, and collaborative programmes aimed at addressing shared challenges. For example, the Trust is involved in the Reducing Serious Youth Violence Board, a multi-agency partnership with NHS bodies, local authorities, police, and community groups. This collaboration addresses youth violence as a public health concern, focusing on early intervention and tackling root causes, further demonstrating the Trust’s role in supporting system-wide improvement efforts. Strategic priorities are aligned with system goals and reviewed through established governance structures, including regular updates to the Board via the Chair’s and Chief Executive’s reports.</p>	<p>G</p>
<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>The Trust has arrangements in place to support benefit realisation, including the use of a central contracts register and delegated responsibilities to local contract leads who monitor performance and manage supplier engagement. The Standing Financial Instructions provide a framework for oversight, assigning responsibility to budget holders and the Chief Financial Officer. While contract management remains largely decentralised, NHS good practice highlights the potential benefits of centralising key elements to improve consistency, risk management, and performance monitoring. Further insight is provided in on the next page. Bristol &amp; Weston NHS Purchasing Consortium (BWPC) continues to operate as a cross-system procurement body, supporting both North Bristol NHS Trust and University Hospitals Bristol and Weston NHS Foundation Trust, and participating in regional procurement collaborations.</p>	<p>G</p>

- 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 contract management, but could challenge itself to go further, based on the best arrangements we see across the sector



## What the Trust is already doing

- The Trust has made progress in strengthening local arrangements and clarifying responsibilities, which addresses the issues raised in the prior year. Contract management responsibilities have been clarified and divisional teams have access to specialist procurement support where required. On this basis, the prior year improvement recommendation is assessed as complete.
- The Trust uses a local approach to contract management. Bristol & Weston NHS Purchasing Consortium (BWPC) continue to act as a cross-system procurement body serving both North Bristol NHS Trust and University Hospitals Bristol and Weston NHS Foundation Trust. BWPC is also involved in wider regional and system-level collaborations,



## What others do well

- NHS good practice highlights the benefits of centralising key elements of contract management. This can improve consistency, risk management, and performance tracking. NHS England's Central Commercial Function supports system wide standards.



## The Trust could consider

- Developing a more centralised approach to contract management, while retaining local knowledge.
- This would help to strengthen oversight and help ensure contracts deliver intended outcomes.

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

# Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR1	<p>In order to improve delivery of recurrent efficiencies to move to a recurrently balanced financial position and meet the significant efficiency challenge for 2025/26, the Trust needs to develop Cost Improvement Programme schemes earlier so that there is more likelihood of delivery.</p>	<p>Financial sustainability (page 19)</p>	<p>Actions: Focus on early identification of CIP schemes through planning and Financial Sustainability Board. Improved early recognition of schemes is already showing benefit in 2025/26 with delivery of recurrent savings ahead of profiled plan at Month 2.</p> <p>Responsible Officer: Director of Operation Finance</p> <p>Executive Lead: CFO</p> <p>Due Date: Ongoing</p>

# 07 Appendices

# Appendix A: Responsibilities of the NHS Trust

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

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

The Trust's directors are responsible preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are required to comply with the Department of Health & Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. An organisation prepares accounts as a 'going concern' when it can reasonably expect to continue to function for the foreseeable future, usually regarded as at least the next 12 months.

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Trust’s Value for Money arrangements

## Phase 1 – Planning and initial risk assessment


As part of our planning we assess our knowledge of the Trust’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

## Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

## Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

 A range of different recommendations can be raised by the Trust’s auditors as follows:

**Statutory recommendations** – recommendations to the Trust under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

**Key recommendations** – the actions which should be taken by the Trust where significant weaknesses are identified within arrangements.

**Improvement recommendations** – actions which are not a result of us identifying significant weaknesses in the Trust’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

## Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Board
Interviews and discussions with key officers	NHS Oversight Framework (NOF) rating
Progress with implementing recommendations	Care Quality Commission (CQC) reporting
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

# Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	In order to increase the percentage of efficiencies delivered, the Trust should ensure that CIP schemes are fully developed early in the financial year and are realistic and achievable.	2023/24	The significant efficiency challenge the Trust faces in 2025/26, coupled with not delivering planned efficiency schemes in full in 2024/25, leads us to raise a refreshed improvement recommendation.	Recommendation updated.	Yes
IR2	The Trust should further enhance financial planning reporting by making it clearer how revenue and capital investments and any efficiencies or savings will support delivery of its objectives and priorities.	2023/24	Financial planning reporting clearly sets out how the Trust values and strategic aims will be supported.	Recommendation closed.	No

# Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR3	The Trust should enhance reporting mechanisms to include specific outcomes and actions from the People and Quality Triangulation Group in the upward reports to the Board, ensuring transparency and oversight of its contributions to the Trust's strategic objectives.	2023/24	Outcomes and actions from the People and Quality Triangulation Group are reported through the Executive-led People Oversight Group to the People and EDI Committee, and onward to the Board. Relevant triangulated information is also included in the bi-annual Freedom to Speak Up report, providing transparency and oversight of the group's contributions to strategic objectives.	Recommendation closed.	No
IR4	The Trust should ensure that the Audit and Risk Committee receives a detailed report of the Single Tender Action (STA) or waiver register. This report should include each instance where competitive tendering procedures were waived. This will enhance transparency and oversight, ensuring compliance with regulatory requirements in procurement activities and the Trust's Standing Financial Instructions.	2023/24	We confirmed that the Audit and Risk Committee papers for Quarter Three included commentary on Single Tender Actions (STAs), evidencing improved reporting and a reduction in non-compliant activity. This confirms the previous year's improvement recommendation regarding waiver reporting is complete.	Recommendation closed.	No

# Appendix C: Follow up of 2023/24 improvement recommendations

Prior Recommendation	Raised	Progress	Current position	Further action
<p><b>IR5</b> The Trust should expedite the restructuring of Bristol and Weston NHS Purchasing Consortium (BWPC's) contract management framework, ensuring operational embeddedness by Quarter 4 2024. This should include establishing dedicated roles for continuous monitoring, performance management, and oversight, with explicit emphasis on realising benefits from key commissioned services.</p> <p>The Trust should also ensure that the restructuring objectives incorporate systematic performance monitoring and robust escalation protocols for contracts not meeting expected benefits.</p>	<p>2023/24</p>	<p>The Trust has made progress in strengthening local arrangements and clarifying responsibilities, which addresses the issues raised in IR5. While the BWPC restructure has not yet been fully implemented, contract management responsibilities have been clarified and divisional teams have access to specialist procurement support where required. On this basis, the prior year improvement recommendation is assessed as complete.</p>	<p>Recommendation closed.</p>	<p>No</p>



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