

Shropshire Community Health 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 Shropshire Community Health NHS 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 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 have 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 Shropshire Community Health 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.

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.

Shropshire Community Health NHS Trust plays a crucial role within the Shropshire, Telford, and Wrekin integrated care system by providing essential community health services for both adults and children. The Trust acknowledges the critical importance of delivering high-quality community services to enable individuals to live well at home and to prevent crises and its approach focuses on providing care both at home and through outpatient and inpatient services, ensuring that support is as accessible as possible. The Trust's vision centres on being a population-health focused organisation that champions independence and healthy living, embodying the values and aspirations of its staff regarding the Trust's future direction. The Trust has a Chair in Common with SaTH (Shrewsbury and Telford Hospital NHS Trust) and is in the process of seeking to appoint a shared Chief Executive. Both Trusts are exploring the potential benefits of forming a Group model to enhance resilience and further strengthen local services.

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

A 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; three improvement recommendations raised in relation to enhancing arrangements for financial planning.	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.
Governance	A No significant weaknesses identified; one improvement recommendation continued from 2022/23 in relation to keeping policies up to date.	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	G No significant weaknesses identified, or improvement recommendations raised.	No risks of significant weakness identified.	G Our work did not identify any areas where we considered that key or improvement recommendations were required.

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 demonstrated strong revenue performance in 2024/25 by delivering a balanced financial plan with a £3.6m surplus. For 2025/26 we have reviewed the financial plan submitted to NHSE on 27 March and note that the Trust has submitted a financial plan which forecasts a surplus of £2m. With the emphasis on productivity improvements of £1.6m, such as digital transformation being the primary focus to achieve the financial plan. The Trust overdelivered on its Cost Improvement Programme (CIP) by £0.905m although the delivery of recurrent savings was slightly below plan. Reasonable arrangements are in place to deliver its challenging 2025/26 CIP target which at 27 March was £5.4m. This represents a significant increase in the required level of savings compared to the 2024/25 plan. We have provided an insight to strengthen documentation relating to efficiency schemes.



Governance

The Trust's overall governance arrangements are appropriate, with an effective Board Assurance Framework (BAF) that aligns to the Trust's organisational objectives, supported by 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 Report (IPQR), provide a reasonable overview of financial and operational performance.

The Trust has appropriate arrangements in place to oversee Fit and Proper Persons Test (FPPT) and updating of outdated policies. We have provided some insights to support ongoing development in these areas.



Improving economy, efficiency and effectiveness


The Trust's performance management structure is adequate with the Integrated Performance Report containing detailed performance data for review to ensure continuous improvement in service delivery. Data quality arrangements are robust, with the production of a Data Quality Maturity Index KPI reported to Trust Board; enabling assessment of the Trust's performance and identification of performance gaps.

Partnership work is strong, with the Trust actively engaged in the Provider Collaborative using a Committees in Common structure to enhance service integration and improve key clinical priority areas.

Procurement and contract management arrangements are effective with strong oversight in relation to contract monitoring.

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	Our audit of your financial statements is complete and we have issued an unqualified audit opinion on 26 June 2025. Our findings are set out in further detail on page 11.	
Use of auditor’s powers	<p>We did not issue a section 30 referral to the Secretary of State for Health and Social Care regarding the Trust’s break even duty. We do not consider that any unlawful expenditure has been made or planned for.</p> <p>No issues have been identified during our work which require us to make statutory recommendations or issue a Public Interest Report (PIR).</p>	

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

Our audit of your financial statements is complete and we have issued an unqualified audit opinion on 26 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 reasonable standard and supported by detailed working papers.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. This report was presented to the Trust's Audit Committee on 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

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 must be prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2024/25.

We have nothing to report in this regard.

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 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
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	For 2024/25, the Trust has reported a £3.6m surplus, reflecting an improved financial position from the previous year. The plan included reasonable assumptions, with the identified efficiency schemes achieving a Cost Improvement Plan (CIP) of £4.5m exceeding the target by £0.905m with minimal delivery risk. For 2025/26, as per the financial plan submitted to NHSE on 27 March, the Trust is forecasting a surplus of £2m, which includes a challenging CIP target of £5.4m, representing 4.1% of the total expenditure. While the Trust acknowledges the difficulty in achieving this target, it emphasises that productivity improvements with an equivalent value of £1.6m will be the primary focus. We understand that the position at the end of May 2025 is that CIPs are now fully developed. A refresh of the Medium-Term Financial Plan (MTFP) and financial strategy is currently underway, undergoing internal governance reviews within each partner organisation. The revised plan, incorporating partner feedback, is set for Integrated Care Board approval in June 2025 to address ongoing system challenges.	G
plans to bridge its funding gaps and identify achievable savings	The Trust's achievement of £4.5m in efficiency savings is commendable, with £2.8m stemming from recurrent savings and £1.7m from non recurrent savings. As it sets a challenging target for 2025/26, the focus is on the development and effective management of these savings. Although no schemes were classed as unidentified, 33% are still plans in progress. The Trust has improved governance with transparent reporting via a revised CIP oversight group and a new Productivity and Efficiency Oversight Group. Key actions include generating ideas, drafting Project Initiation Documents (PIDs) for upcoming schemes and maximising estate opportunities. The Trust will prioritise productivity and digital technology initiatives for 2025/26. Despite noted gaps in documentation for efficiency schemes, especially with PIDs lacking necessary Quality Impact Assessments (QIA), the Trust has exceeded its savings plan for the current year. We have not raised an improvement recommendation but used our insight (see page 18) for the Trust to consider how arrangements could be strengthened going further.	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

We considered how the Trust:	Commentary on arrangements	Rating
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The Trust has established comprehensive financial planning arrangements to ensure sustainable service delivery aligned with strategic and statutory priorities. This includes a MTFP based on agreed assumptions among system partners, provisions for growth and shared budget-setting. A proactive communication programme with budget managers identifies cost pressures and growth areas, while weekly planning meetings ensure quick alignment on challenges. Governance structures, including weekly finance group and CFO meetings, enable consistent assessment of service changes, supported by the Integrated Care Board. The Trust demonstrates a clear understanding of service delivery costs by identifying specific overspending areas, such as out-of-hours medical cover and short-notice mental health services. Through collaboration with budget managers and CIP allocations, the Trust is committed to enhancing cost-effectiveness and addressing delivery cost drivers.	G
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 is focused on generating income and enhancing productivity through digital transformation in its Musculoskeletal Service (MSST), leading to increased income from elective activities via improved booking and waiting list management. The Green Plan emphasises energy optimisation and carbon emission reduction, with strategies like LED lighting and ventilation upgrades. In 2025/26, managing backlog maintenance will be a compliance priority. As the Trust enters the third year of the Green Plan, it is committed to sustainable development, reporting a decrease in its Measured Carbon Footprint and collaborating with public sector partners to reach net-zero carbon targets. There is a focus on reducing agency expenditure in inpatient wards and community nursing through the CIP Plan and training Nurse Associates to manage staffing costs.	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
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	<p>The Trust's finance reports include risk reporting that identifies and mitigates risks, demonstrating a proactive approach to financial monitoring and addressing financial challenges. Acknowledgment of favourable variances and effective control measures highlight the Trust's commitment to effective risk management. The Trust implemented processes for identifying financial risks for 2024/25 with quarterly updates provided to the Board through the Board Assurance Framework (BAF) and bimonthly Finance Performance Reports. The BAF manages strategic delivery risks and is reviewed by Executive Leads before committee presentation. While the Trust must adhere to national planning guidance, it has assessed its savings schemes for risks, identifying that 34% of these schemes have been classed as high risk for 2025/26.</p> <p>We understand that the position at the end of May 2025 indicates that there are no high-risk CIP schemes.</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 identifying efficiencies, 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 exceeded its efficiency savings target for 2024/25 by £0.905m, with strengthened governance through a revised CIP oversight group and a new Productivity and Efficiency Oversight Group.
- Efficiency schemes are supported by appropriate documentation, but the Trust could enhance arrangements in this area, as a full Quality Impact Assessment (QIA) was not completed for two scheme Project Initiation Documents (PIDs).



What others do well

- The Trust recognises that QIAs are essential tools for evaluating the potential impact of proposed changes, initiatives, or efficiency schemes on the quality of patient care.
- Best practice is to treat the QIA as a "live" document to ensure ongoing quality oversight.
- We would expect to see completed QIAs earlier in the financial year.



The Trust could consider

- Align the QIA completion with the project's initiation phase to avoid delays in approvals or implementation through use of project management tools.
- Summarise the findings of the QIA in the PID. If the QIA is not yet completed, include a timeline and provide assurances that no action will be taken without its approval.

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 a comprehensive risk management process in place that aligns with strategic objectives, identifies control gaps, and assigns responsibilities through the BAF. The Board oversees this process, ensuring an effective Risk Management Strategy and clear reporting pathways. Strategic risks are reviewed bi-monthly, with reports from the Audit Committee on internal control effectiveness. All Board Sub-Committees assess relevant risks and escalate concerns to the Trust Board. The 2024/25 Annual Head of Internal Audit Opinion indicated moderate assurance, reflecting sound internal controls and significant improvements in implementing audit recommendations, with no overdue items reported.	G
approaches and carries out its annual budget setting process	The budget-setting for the 2025/26 budget began in November 2024, with oversight by the Resources and Performance Committee and Trust Board. This ensures an agreed opening budget, subject to changes as the annual financial planning process concludes. The budget is guided by the system-wide five-year MTFP and supported by the ICB's demand and capacity review.	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 has established effective arrangements for budget monitoring and outturn reporting to the Resources and Performance Finance Committee and Trust Board throughout the year. These reports provide insights into the Trust's financial position, highlight variances, and outline mitigation plans. The Trust's reporting also identified how the Trust collaborates with the system to reduce, for example, agency spending, reflecting its commitment to managing costs while maintaining high standards of care.	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 Board has effective decision-making arrangements, ensuring papers have clear purposes and responses. In November, the Trust launched the 'Discovery' phase of the Culture and Leadership Programme to engage employees in developing Board Conversations and a Leadership Behaviours Survey. The Audit Committee provides oversight and challenges issues. We made a previous improvement recommendation regarding outdated policies. The Trust has implemented a policy progress tracker and we acknowledge the progress the Trust continues to make in reviewing and updating Trust policies. Recognising the work we have not re-raised the improvement recommendation but have included an insight page (see page 22) for the Trust to consider how arrangements could be strengthened based on best practice.</p> <p>The Trust and SaTH appointed a Chair in Common in Autumn 2024 and have recently announced they are seeking to appoint a shared Chief Executive to lead both organisations. The two trusts are also exploring the benefits of forming a Group model to increase resilience and continue to strengthen local services. Under the proposals the trusts would remain as separate statutory organisations, whilst seeking to appoint a shared leadership across both organisations to oversee strategy and service delivery. These proposals are in the early stages of development and both trusts are working with NHS England and local partners. To date, we are satisfied that the Trust’s Board has appropriately considered the proposals with the expected levels engagement and involvement. We will consider this further as part of our 2025/26 Value for Money work.</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 (continued)

We considered how the Trust:	Commentary on arrangements	Rating
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	<p>The Trust reports legislative and regulatory information to the Board, including instances of clinical non-compliance in Quality and Safety reports. Improvement items are included in the BAF. In 2024/25, the Trust reported four data breaches to the Information Commissioner’s Office (ICO), of which one was not reportable, one was not classified as a breach, and two were addressed with actions such as raising staff awareness about email communications and implementing a secure digital solution. No compromise agreements or significant exit packages were recorded.</p> <p>The Trust lacks a separate Fit and Proper Persons Test (FPPT) policy; the annual submission for 2024/25 is due by June 30 and will be signed off by the Chair before submission to NHSE. Whilst no improvement recommendation has been raised regarding the FPPT framework, an insight page (see page 23) suggests arrangements for the Trust to consider based on best practice.</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 informed decision making, but could challenge itself to go further, based on the best arrangements we see across the sector



What the Trust is already doing

- We previously made an improvement recommendation in relation to outdated policies. In 2024/25, we recognise the progress the Trust continues to make in reviewing and updating outdated policies with verbal updates provided to Audit Committee for oversight.
- We recognise the improvement in this area from the prior year: the Trust has implemented a policy progress tracker, which highlights that currently 78% of policies are up to date, however, 48 policies have expired and need review. We note that work in this area is continuing.



What others do well

- Maintaining a central policy register that lists all policies, their review dates, and designated owners and maintaining a record of reviews and updates to include evidence of compliance with regulations.
- This process is typically overseen by the Governance group, which reports to the Audit Committee and provides a status update report for members to see.



The Trust could consider

- Enhancing the policy tracker to include the designated responsible owner for each policy for accountability.
- That the 48 policies that are expired are reviewed and updated by the next financial year considering the timeline of progress since our initial recommendation in 2022/23.

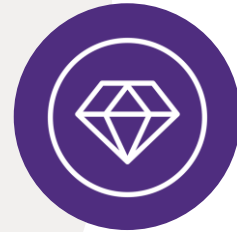
Grant Thornton insights – learning from others

The Trust has the arrangements we would expect to see in respect of Fit and Proper Person Testing, 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 Fit and Proper Persons Testing (FPPT) arrangements in place to ensure compliance checks are undertaken and reported to NHSE by 30 June.
- It would be beneficial if the Trust were to establish an FPPT Framework as per NHSE guidelines.



What others do well

- A FPPT policy outlines how NHS bodies will apply the FPPT assessment process to ensure it complies with Framework requirements allowing organisation to keep up to date with changes in regulations and guidance to ensure ongoing compliance.
- We have observed notable practice in the sector whereby NHS bodies produce an annual FPPT compliance report for the Board to provide oversight and assurance that FPPT requirements are being fulfilled



The Trust could consider

- Developing a FPPT policy that is aligned to NHSE FPPT Framework and CQC requirements, clearly defining the scope of FPPT, specifying who it applies to and outlining the assessment process to ensure it complies with Framework requirements. The policy should also be aligned with the Trust's organisational values and regulatory requirements.
- Producing an annual compliance FPPT report to Trust Board for oversight and to ensure that the Trust is meeting its legal and regulatory requirements.

Economy, efficiency and effectiveness – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	The Trust has clear arrangements to use information to assess performance and identify improvement areas reporting these to the Board using a comprehensive Integrated Performance Report (IPR) for oversight and risk mitigation. The IPR includes KPI descriptions, action plans, and updates to ensure effective actions are taken; the use of statistical process control indicators within the IPR is good practice. The Trust takes data quality seriously, through checks, validation exercises, and real-time monitoring. Compliance with the Data Security and Protection Toolkit is upheld, supported by an Information Quality Assurance policy detailing roles and auditing processes. A Data Quality Subgroup reports to the Data Security and Protection Assurance Group, with updates to information systems aligning with national requirements. Data quality KPIs are reported through operational groups, leading to a Data Quality Maturity Index presented to Committees and the Board. Benchmarking data, like "Model Hospital" benchmarks, is used to improve service delivery such as in the review of Community Nursing services.	G
evaluates the services it provides to assess performance and identify areas for improvement	The Trust remains in National Oversight Framework (NOF) segment 3. Recognising the need for improvement across the system, the Trust is collaborating with partners to reduce Urgent and Emergency Care pathway costs and enhance performance. Initiatives include the continued development of virtual wards, which pose a significant financial pressure on acute providers in the system. As per page 20, the Trust is exploring the benefits of forming a Group model with SaTH to increase resilience and continue to strengthen local services.	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
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	The Trust has appropriate arrangements to ensure it delivers its role within significant partnerships. It actively participates in the Provider Collaborative through a Committees in Common structure, aiming to enhance service integration and improve key Clinical Priority areas such as Urgent and Emergency Care, Children and Young People’s services, Musculoskeletal pathways and Workforce development. This commitment to collaboration is essential for continuously improving service quality and developing new models of care to meet community needs and enhance patient outcomes. The Trust's operational plan for 2024/25 recognises the ongoing review of the Shropshire, Telford and Wrekin (STW) System plan, highlighting the interconnectedness of both plans. Developed collaboratively, the plan aligns with national NHS priorities and those of the STW Integrated Care System while addressing staff needs with the Performance Board overseeing effective monitoring and implementation.	G
commissions or procures services, assessing whether it is realising the expected benefits	The Trust has adequate arrangements to monitor procurement and to seek procurement efficiencies and remains engaged with the Shropshire Healthcare Procurement Service to mitigate inefficiencies through the development of a shared work plan. The Trust is committed to collaborating wherever possible, and details of all contracts and procurement information and is also involved with the Central Commercial Function led by NHSE. The Trust's Contract Management Group oversees healthcare contracts, by reviewing performance reports to ensure effective management and maximise benefits. The Resource and Performance Committee provides oversight of contract management reporting. Contract review meetings assess risks and benefits based on complexity, with gold-level contracts reviewed more frequently and healthcare sub-contracts evaluated quarterly. Performance tracking includes monitoring key deliverables, risks, KPIs, and complaints.	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.

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	The Trust is working with partners on the development of a Medium-Term Financial Plan (MTFP). This includes the use of external consultants to develop a robust demand and capacity model that links to workforce and finances. The MTFP needs to be completed and agreed as soon as possible in order to afford the Trust and its partners maximum opportunity to bring the system to a recurrent financial balance.	2023/24	The refresh of the Medium-Term Financial Plan (MTFP) and financial strategy is currently underway and is being reviewed through the internal governance processes of all involved organisations. After collecting feedback from all partners, the revised plan is set to be presented to the Integrated Care Board for approval in June 2025.	Implemented and closed	No
IR2	In order to more clearly demonstrate how its financial plans will help to achieve strategic objectives, the Trust should more clearly link investments or planned efficiencies to its objectives.	2023/24	The Trust's 2025/26 Operational Plan outlines key priorities for each of three strategic objectives and demonstrates the Trust's continued commitment to their delivery. Each objective has aligned strategic priorities and interventions, with each relevant committee having its own vision statement, documented priorities and expected outcomes.	Implemented and closed	No

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR3	As part of finalising a Medium-Term Financial Plan, the Trust should ensure that the cost of all planned developments and projects is included. For example, reducing its carbon emissions and specific projects to improve estates.	2023/24	The refresh of the Medium-Term Financial Plan (MTFP) is underway and being reviewed internally. Feedback from system partners will be presented to the Integrated Care Board for approval in June 2025.	We note that work is ongoing across the system to develop and refresh the Medium-Term Financial Plan (MTFP), and the Trust is collaborating closely with its system partners, with the revised plan due to be presented in June to Board. The capital projects are funded through the capital resource allocation from NHSE and prioritised in agreement with partners. Given the progress made and ongoing work we have closed the recommendation as it is unlikely to lead to a risk of significant weakness in 2025/26.	No



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