

Auditor's Annual Report on Buckinghamshire Healthcare NHS Trust

August 2022



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We are required under Section 21(3)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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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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Executive summary



Value for money arrangements and key recommendation(s)

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the Trust's arrangements under specified criteria and 2021/22 is the second year that we have reported our findings in this way. As part of our work, we considered whether there were any risks of significant weakness in the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below.

Whilst the below table shows a comparison between last year and this year only (the prior year being the first year of the new Code), it is also worth noting that over a longer period, over the past 3 to 4 years, the Trust has demonstrated an upwards direction of travel. There is a significantly improved understanding of the Trust's financial position and challenges compared to that which existed 3 to 4 years ago, and over the same time period the Trust has demonstrated an improved maturity in the application and operation of its governance arrangements. Many of the concerns we raised in our VFM reports from 2017/18 and, in particular, 2018/19 have been addressed and are continuing to improve and, overall, the Trust is in a better overall position, in terms of its understanding and realism over the financial position and its operational governance, than it was at the start of this longer time period.

Criteria	Risk assessment	2020/21 Auditor Judgment	2021/22 Auditor Judgment	Direction of travel
Financial sustainability	No risks of significant weakness identified.	No significant weaknesses in arrangements identified, but improvement recommendation made.	No significant weaknesses in arrangements identified, but improvement recommendations made.	↔
Governance	No risks of significant weakness identified.	No significant weaknesses in arrangements identified, but improvement recommendation made.	No significant weaknesses in arrangements identified, but improvement recommendations made.	↔
Improving economy, efficiency and effectiveness	No risks of significant weakness identified.	No significant weaknesses in arrangements identified, but improvement recommendation made.	No significant weaknesses in arrangements identified, but improvement recommendations made.	↔

- No significant weaknesses in arrangements identified or improvement recommendation made.
- No significant weaknesses in arrangements identified, but improvement recommendations made.
- Significant weaknesses in arrangements identified and key recommendations made.

Executive summary



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Criteria	Risk assessment	2021/22 Auditor Judgment
Financial sustainability	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made
Governance	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made

- No significant weaknesses in arrangements identified or improvement recommendation made.
- No significant weaknesses in arrangements identified, but improvement recommendations made.
- Significant weaknesses in arrangements identified and key recommendations made.



Financial sustainability

We did not identify any risks of significant weakness in respect of the Trust's arrangements for financial sustainability in our initial risk assessment. Our further work confirmed this view, with no significant weaknesses identified. We have identified improvement recommendations around the identification of efficiency targets and the accountability of achieving these targets on pages 12 and 13.



Governance

We did not identify any risks of significant weaknesses in the Trust's governance arrangements in our initial risk assessment. Our further work confirmed this view, with no significant weaknesses in arrangements identified. We have identified improvement recommendations on pages 19 and 20.



Improving economy, efficiency and effectiveness

We did not identify any risks of significant weaknesses in the Trust's arrangements for improving economy, efficiency and effectiveness in our initial risk assessment. Our further work confirmed this view, with no significant weaknesses in arrangements identified. We have identified improvement recommendations on pages 31 to 33.

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

We bring the following matters to your attention:

Opinion on the financial statements

Auditors are required by section 21 of the Local Audit and Accountability Act 2014 to express an opinion on the accounts that includes the auditor's view on whether the accounts: (i) present a true and fair view and comply with statutory requirements (ii) have been prepared in accordance with proper practices

We completed our audit of your financial statements and issued an unqualified audit opinion on 21 June 2022, following the Audit Committee meeting on 20 June 2022. Our findings are set out in further detail on page 37.

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 a statutory recommendation

Section 30 referral

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/or relevant NHS regulatory body as appropriate

We issued a section 30 referral letter on 31 May. The reason for making a referral under section 30 of the Local Audit and Accountability Act 2014 was as follows:

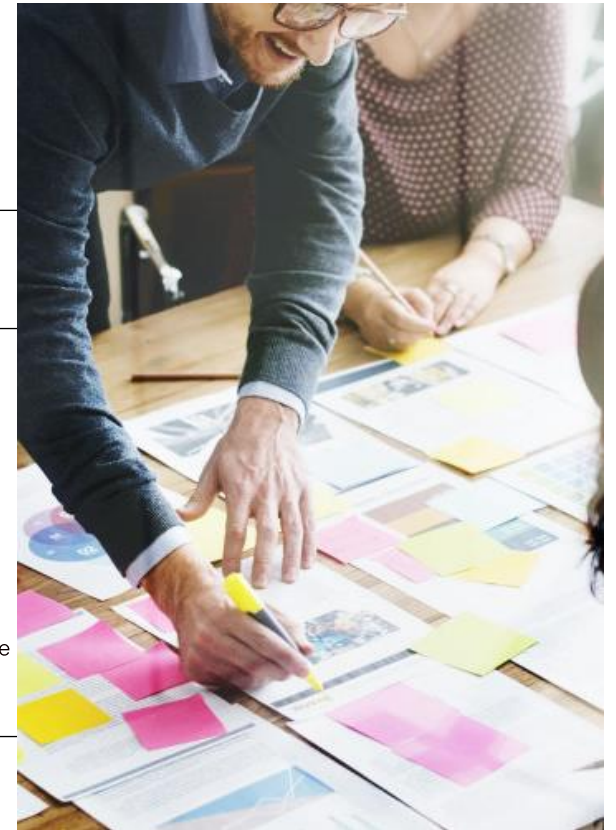
Section 30(b): Taking into account the 'Statutory breakeven duty: a guide for NHS trusts' guidance issued by NHS Improvement in April 2018, Buckinghamshire Healthcare NHS Trust has taken a course of action that has led to a breach of the Trust's breakeven duty for the three-year period ending 31 March 2022.

We understand that this is a matter which is already known by the Secretary of State.

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 Public Interest Report



Securing economy, efficiency and effectiveness in the Trust's use of resources

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. The Trust's responsibilities are set out in Appendix A.

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's Auditor Guidance Note (AGN) 03, 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).



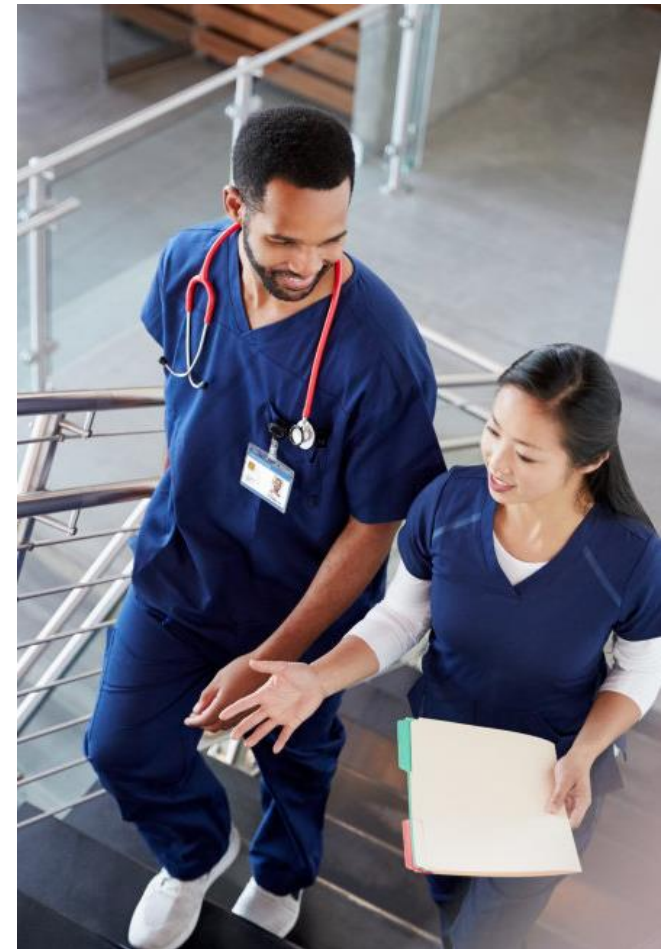
Governance

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



Our commentary on the Trust's arrangements in each of these three areas, is set out on pages 7 to 31. Further detail on how we approached our work is included in Appendix B.

Financial sustainability



We considered how the NHS Trust:

- identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- 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
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

Financial Performance in 2021/22

2021/22 was again an exceptional year in terms of financial planning and performance, as the Trust continued to follow 6 monthly planning cycles, in response to the COVID-19 pandemic. In recognition of the financial strain placed on the NHS by COVID-19, the majority of the Trust's income in 2021/22 was received from its commissioners in the form of a block contract (see table). This followed the indefinite suspension of the previous funding framework, payment by results (PbR). The funding envelope received by each Trust was agreed by NHS commissioners as part of the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care System (BOB). The Trust has also received additional income, outside of the block and system envelopes, to reimburse specific costs incurred and other income top-ups to support the delivery of services through the pandemic. As the NHS looks towards post pandemic recovery and restoration of services, funding arrangements for 2022/23 will return to a 12-month planning cycle. As such financial sustainability is once again a priority for the sector.

The Trust reported a small £1.1m deficit (0.2% of expenditure) in the 2021/22 financial year, compared to the Board-approved, planned £5.6m deficit. The main driver of this favourable outturn related to lower than planned spend on H2 critical investments (£9.4m actual against £14.9m budgeted) and a £5.6m financial benefit as a result of the review of the PFI models and liabilities in Month 10.

Income Source	Received in 2021/22 (£m)
Buckinghamshire Clinical Commissioning Group	292.5
Other NHS	37.1
Specialist Commissioners	74
Other Income	2.4
Buckinghamshire Council	14
Top up funding	37.3
COVID funding	25.7
Growth and system development funding	10.4
Elective Recovery Funding	17.2
Targeted Investment Funding	3.4

The ICP System Deficit for 21/22 is currently at a £0.1m surplus, showing significant improvements against the prior year position of a £15.1m deficit. These figures are subject to external audit.

As COVID-19 has meant the Trust has received additional funding in 2020/21 and 2021/22 to deliver an improved position on its original budget, the Trust has not been required to set a Cost Improvement Plan (CIP) target under the Covid-19 financial regime. It had, however, set itself its own internal targets for 2021/22. At March 2022, CIPs of £16.56M were reported as having been achieved by the Trust, £0.56m above the planned target of £16m. Of this, however, only 23% (£3.6m) were recurrent.

Financial sustainability

Trust performance is also reflected by the NHS Single Oversight Framework (SOF). NHS England and NHS Improvement (NHSEI) have allocated trusts and ICSs to one of four 'segments'. A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). BHT has been included in segment 3, demonstrating a requirement for support needs. The segmentation decision includes factors such as governance arrangements, financial performance and quality of services and therefore the score is combination of these factors. The Trust was originally given a segment 3 rating due to concerns in relation to financial governance, but these concerns were reduced in May 2021 following a meeting with NHSE/I. However due to concerns around operational performance, the Trust is again included in segment 3 from October 2021. Although there have been operational improvements noted throughout the year, there is still much progress to be made in many operational areas (see page 22 onwards).

The financial plan for 2022/23

The Trust was required to submit, via the local health system, a draft financial plan on the 17th March 2022 and a final plan 28th April 2022. These deadlines were appropriately complied with and there was a strong level of liaison observed with the local health system throughout the process to ensure that assumptions were aligned, and plans submitted as required.

BHT has submitted a £29m deficit plan for 2022/23, with the main drivers of the deficit being a reduction in income of £18.2m and the funding of additional investments totaling £14.5m. These additional investments are being made to support recovery in elective care, cancer and diagnostics, and to aid in the delivery of key strategic priorities (See Appendix D). In developing their 2022/23 financial submission the Trust presented three different scenarios to the Board (best case, worst case and most likely), with the submitted deficit being highlighted as the most likely case. There has been discussion with NHSEI throughout the submission process of a deficit position.

The identification and communication of the Trust's deficit position is an improvement over the arrangements from previous years, whereby overly optimistic scenarios were tabled, resulting now in more realistic budgets being planned and discussed.

In addition to the £29m (5.2% of expenditure) deficit there are also likely further downside risks of £8m-£10m in relation to inflation, non-delivery of Cost Improvement Plans (CIP) and outstanding business case reviews. That means that the potential deficit for 2022/23 could be up to £38m (6.8% of expenditure). While this remains a considerable balance it still only represents a small percentage of expenditure and income.

Key Risks identified in the 2022/23 Operating Plan				
Certainty of Income	Business case and critical investment outcomes	Delivery of 2022/23 activity trajectories (ERF)	Additional costs from COVID-19	Delivery of cost improvement programme

We have reviewed the risks identified by the Trust within their financial plan and believe these are appropriate based on the current NHS environment and the Trusts operations. We have noted no obvious omissions. All other assumptions in the plan have also been agreed as appropriate in line with the planning guidance, the environment the Trust faces and local discussions with the ICS. As such there has been no further significant risk, over and above that identified by the Trust, identified in our work. Of the total risks identified those expected to have the largest impact are under-delivery of savings, the potential for inflation on costs to exceed inflation assumptions and the delivery of activity targets to receive elective recovery funding (ERF). We discuss further savings and ERF targets on pages 9 and 10.

The Trust utilized the most up to date inflation rates when developing their financial submission. However, this has been an extraordinary year, with the UK inflation rate now reaching a 30-year high. There is an expectation that the sector may receive further funding to support the inflation risk. Currently excess non-pay inflation makes up £5.3m of the £29m deficit within the submitted plan. However there has been no communication of this funding at the time of writing and as such is not a mitigation the Trust can be solely reliant on to address the risk.

Financial sustainability

The Trust will need to monitor the ongoing impact inflationary changes are having on their supply chain, future procurement activities and utility costs and react accordingly. As such the uncertainty in relation to inflation remains an ongoing risk to any planned position.

Delivering the 2022/23 financial plan

Cost improvement plans

For the Trust to achieve its deficit of £29m it will be need to deliver an ambitious CIP of £21.3m (4% of income). We consider the target to be reasonable based on our experience across the sector, but it may be considered ambitious when compared with the Trust’s previous success in this area. The CIP is focussed on key areas such as theatres, commercial improvements, patient flow and workforce. These efficiency savings could also drive an additional "productivity" gain of £6.4m in year. This potential productivity gain is due to the Trust possibly being able to accept additional theatre cases (30%) from other organisations. So, there is potential for up to £27.7m of efficiencies to be realised. However, of the £21.3m CIP required, only 74% (£15.8m) have been identified. Of the 74% of CIP identified, 41% are non-recurrent savings. Non-recurrent savings are savings where the benefit is only realized for the year in question. This is deemed to be a potential risk to the future financial sustainability of the Trust as it means they may face pressure to identify additional savings following 2022/23.

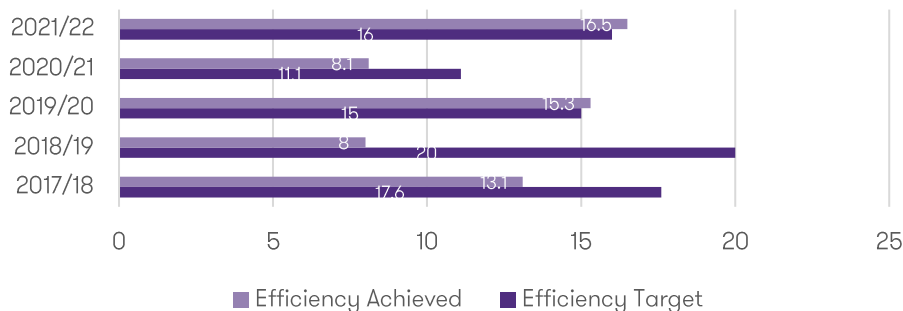
When you couple the current unidentified saving gap of £5.5m with the residual risks of £2.9m-£6.4m that the Trust has identified within their CIP, there is currently a potential shortfall of £5.5m to £11.9m in relation to the required efficiency targets. From our experience one of the most common causes of not meeting a CIP target by year end is the fact that schemes are unidentified at the start of the year. This is due to the fact that a high level of unidentified schemes in the first quarter means the Trust has a shorter time frame with which to take the necessary actions to achieve the savings required. We would therefore recommend that the Trust prioritise the identification of efficiency plans with a primary focus on recurrent schemes.

To identify and drive efficiency plans within the organisation, the Trust has reappraised the way in which the CIP was developed for 2022/23. Plans were developed via extensive engagement with divisions with a series of workshops, involving critical discussion around:

- Current productivity and throughput in theatres, acute front-end processes, and radiology. Which has enabled identification of opportunities to improve over the coming years;
- Assessment of existing pay expenditure, reviewing the mix between professions, agency, locum, and bank use and exploring the possibility of reducing premium costs and changing skill mix;
- A review of the use of expensive options such as outsourcing, insourcing and use of private sector resource. With the aim to develop alternate delivery models to remove the need for expensive short-term resource and move towards sustainable clinical delivery.
- Evaluating the effectiveness of existing financial delegation and accountability mechanisms, and the conditions required for Clinical Divisions to develop and succeed.

The aim of this approach was to create further ownership across the divisions for the identification and implementation of future efficiency targets. The purpose of this is in line with the Trust’s refreshed financial strategy and highlights that the Trust is emphasising a culture of driving continual improvement and accountability. To further this, BHT also has ambitions to move towards a finance business partnering (FBP) model, whereby FBPs would work closely with divisions to provide a key strategic link between finance and frontline services. The model builds on the desire to reposition responsibility for budget management into the divisions, but there is a recognition that this is not yet fully realised.

Achievement of CIPs over the past 5 years
(£m)



Financial sustainability

This type of model can bring a range of benefits, such as better-informed decision-making and improvements in relationships and understanding across the organisation. However, to ensure success, BHT will need to clearly define the role distinctions, communicate expectations of the FBP role across the organisation and embed clear lines of accountability. It will also be imperative to ensure that divisions are equipped with the right tools and skillsets to realise these ambitions, particularly as the 22/23 financial plan rests on the divisions delivering CIP targets and managing budgets effectively.

Elective recovery funding

Another key factor affecting the Trust's ability to meet its financial targets in 2022/23 comes through Elective Recovery Funding. This funding has been made available to enable trusts to increase patient activity so they can reduce the long waiting times that have accumulated during the pandemic. The ERF funding requires the Trust to deliver 104% of their 2019/20 activity levels – a substantial increase. This funding will be adjusted up or down if actual activity delivered is above or below the 104% target. To meet the planned deficit of £29m the Trust has assumed they will receive £12.5m in ERF for 2022/23.

ERF funding is weighted towards admitted patients rather than other modes of care (e.g. day-care). This means that the Trust will need to exceed the 104% overall target based on its current care profile in order to optimise the funding available. The Trust remains confident that this can be achieved. In 2021/22 the Trust received £17.2m in ERF for exceeding national trajectory targets throughout the year. The key risk to the achievement of these target levels is managing the ongoing impact of COVID-19 on staff and patients. When setting the ERF targets, NHSE/I made an assumption that Trusts would not face reduced activity due to the impact of COVID-19. That means that significant cancellations from patients, or increased cases of staff absence in key areas, may have an impact on BHT's ability to meet the required targets. This area is of particular importance for the Trust as management has highlighted that reliance on temporary staffing is a potential risk to their financial sustainability, but to meet their activity targets in year they will need to fill any arising staffing gaps. Currently the Trust has a balance of £3.2m built into the submitted plan for contingencies and sick reserve.

Financial Strategy and Long-term financial model

Prior to the pandemic, the Trust was in a deficit position estimated at £53m. Whilst the position has been masked by recent funding arrangements to address the Covid-19 pandemic, as this funding is removed in future financial years the Trust faces a challenging underlying position.

It is clear preventative action needs to be taken, and in response the Trust is in the process of finalising a refreshed financial strategy to aid in the objective of ensuring healthcare services are sustainable and to support the Trust's 2025 strategy. The Financial Strategy will also feed into the wider ICP and ICS financial strategies as they are developed, in recognition of the fact that the deficit will not be reduced without significant effort across the Trust and the wider system, and with a greater emphasis on working together.

As part of the strategy the Trust has examined the key drivers of the deficit, so as to develop strategies that address each in turn. The key drivers include structural, funding and value for money improvements. The strategy outlines 10 key objectives including making best use of resources, maximisation of productivity and efficiency, estate optimisation and maximising commercial income that will be utilised to improve the underlying position of each driver. To set the financial strategy the Trust has prepared a high-level, long-term financial model (LTFM) which covers the worst, base, and best-case financial profiles over 10 years. We consider this to be good practice as it highlights that future financial sustainability is at the forefront of the Trusts agenda despite the currently limited guidance being provided.

The Trust has highlighted that new approach to the development CIP in 2022/23 is a springboard to a 5-year improvement plan which is being developed in line with the financial strategy. Initial review of the financial strategy shows that through this new approach, up to £77m of efficiencies may be achieved over the next five years.

Future Cost Efficiencies	2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	Total £000's
Planned Total	21,267	12,754	12,868	12,974	12,478	72,341

Financial sustainability

The delivery of the transformation plan is dependent upon multiple factors including:

- The successful transition to a more devolved organisation, with empowerment of clinical divisions to make their own decisions, underpinned by strong financial discipline;
- A self-sufficient and resilient workforce without overt reliance on temporary solutions to address operational pressures; and
- Significant investment in estates and digital technology.

Whilst this remains a challenging plan to implement, it further emphasises the Trust's commitment to meeting their CIP target in 2022/23. However, the early – and untested – nature of these arrangements means that this is an area where considerable risk remains.

The final Financial Strategy will be ready in 2022/23. Its current iteration shows that the Trusts is on a cultural improvement journey focussed on financial sustainability.

Capital Plans

Capital funding continues to be a challenge for the entire sector, with the total cost to eradicate the maintenance backlog across the NHS currently at £9.2 billion at the end of 2020/21. The Trust completed a five-year appraisal of its property portfolio in March 2021 that concluded there is currently a backlog maintenance requirement of an estimated £210m. This is mainly due to the ageing population of the Trust owned buildings, with 60% of the Trust's portfolio being more than 30 years old.

Site	Backlog total March 2021
Wycombe	£99,381,700
Stoke Mandeville	£91,885,700
Amersham	£7,802,700
Communities	£11,003,300
Total	£210,073,400

In 2021/22 the Trust completed a capital investment of £43m (down from £73m in 2020/21). Whilst this enabled modernisation of its IT infrastructure, estates and medical equipment, this balance represented only a fraction of the required capital investment needed to tackle the overall backlog identified in March 2021.

The Trust is in a similar situation with its 2022/23 capital plans. In 2022/23 the Trust requires a total capital requirement of £128.8m split between property services (£104.4m), IT (£18.2m) and medical equipment (£6.4m). The Trust receives its capital allocation from the BOB ICS and has currently been given an allocation of £20m. This means there is a funding shortfall of £108.8m from the initial plan. The Trust has identified a potential £27.7m in additional capital funding from other sources, but some of this funding is still to be confirmed. Prioritization of the £20m allocation is underway and the Trust is exploring other business cases to meet the current funding gap. We note that there was work in the year to streamline and improve the process of capital business cases. Internal Audit have performed an initial review and offered assurance over the business case frameworks of the Trust in 2021/22.

Throughout their strategies the Trust has highlighted the importance of a modern estate for the future sustainability of the organisation. A positive development in the year is the Trust's submission of an Expression of Interest to build a New Hospital. It shows a forward view of capital plans rather than just trying to catch-up with backlog maintenance.

Overall conclusion

We have not identified any significant weaknesses in relation to financial sustainability. Arrangements demonstrate a good understanding of the financial situation and drivers of deficit, and are more realistic than the over-optimistic forecasts that characterised the years before the pandemic. While the current deficit plan for 2022/23 remains a challenge to achieve, provided the Trust identify remaining CIPs it is not an unrealistic plan. That being said, the CIP risk remains a sizeable one that will require careful and proactive Board monitoring to avoid the associated risks crystallising.

The Trust's development of a refreshed Financial Strategy shows that the Trust understands the drivers behind the underlying deficit and is working towards a financially sustainable position across the medium-term through transformation plans. The current funding gap within the 2022/23 capital plan remains a significant unknown for the Trust but this is a challenge for most Trusts across the sector.

Improvement recommendations



Financial Sustainability

Recommendation 1

In order to secure achievement of CIP targets, the Trust should prioritise the identification of efficiency plans with a primary focus on recurrent schemes. The Trust should also ensure that the requisite skillsets are available at the divisional level to achieve the ambition of authority, responsibility and accountability for budgets and CIP delivery to rest within divisions.

Why/impact

In order to achieve the planned deficit position of £29m the Trust will need to fulfil an ambitious Cost Improvement Programme (CIP) of £21.3m. Currently, 26% (£5.5m) of the CIP is unidentified. If CIPs are not identified it will lead to a larger deficit being achieved at year end. Furthermore, only 59% of the currently identified CIPs are recurrent. Any non-recurrent CIPs will lead to further savings having to be identified in following years.

Auditor judgement

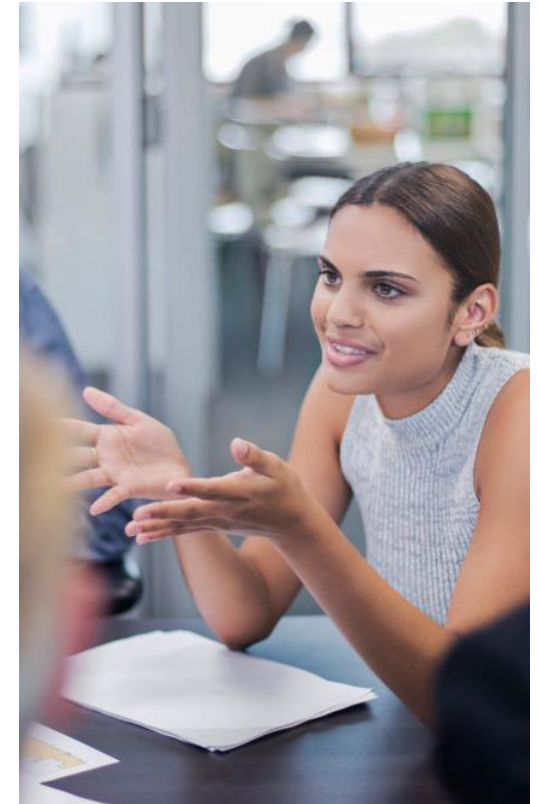
From our experience one of the most common causes of not meeting a CIP target by year end is the fact that schemes are unidentified at the start of the year. This is due to the fact that a high level of unidentified schemes in the first quarter, means the Trust have a shorter time frame with which to take the necessary actions to achieve the savings required.

In order to become financial sustainable the Trust should aim for 100% recurrent savings. Non-recurrent savings are savings where the benefit is only realized for the year in question. This is deemed to be a potential risk to the future financial sustainability of the Trust as it means they may face pressure to identify additional savings following 2022/23.

For accountability and responsibility to rest within the divisions, BHT will need to clearly define the role distinctions, communicate expectations across the organisation and embed clear lines of accountability. It will be imperative to ensure that divisions are equipped with the right tools and skillsets to realise these ambitions, particularly as the 22/23 financial plan rests on the divisions delivering CIP targets and managing budgets effectively.

Management Comments

Divisional directors and operational colleagues are sighted on the need for recurrent efficiency/transformation plans in order to meet CIP targets. This is emphasised through Divisional review meetings and relevant workstreams. Divisional directors have signed up to their budgets which includes their efficiency targets.



The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Financial Sustainability

Recommendation 2

In order to achieve the Trust's ambition of moving towards increased accountability and responsibility for delivery of budget and CIP targets within divisions, it will be imperative to ensure they are equipped with the right tools and skillsets.

Why/impact

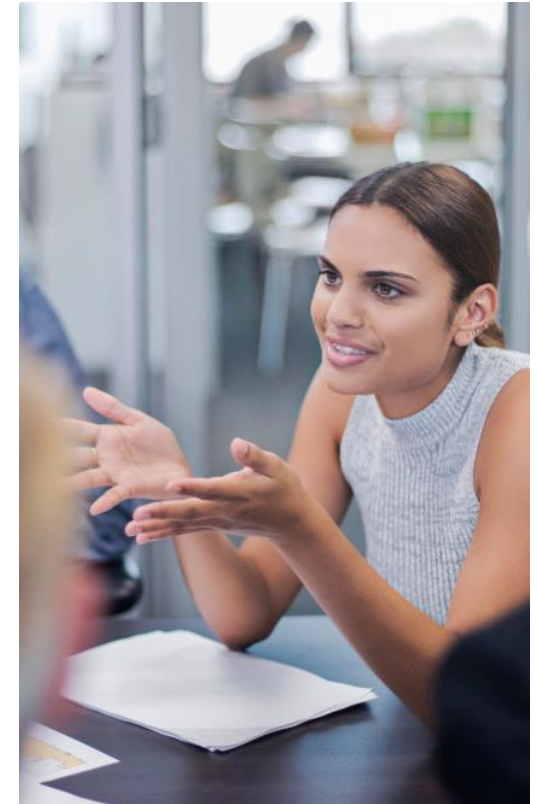
This will be particularly crucial as the 22/23 financial plan rests on the divisions delivering CIP targets and managing budgets effectively.

Auditor judgement

BHT has ambitions to move towards a finance business partnering (FBP) model, whereby FBPs would work closely with divisions to provide a key strategic link between finance and frontline services. The model builds on the desire to reposition responsibility for budget management into the divisions, but there is a recognition that this is not yet fully realised. However, in order to achieve the planned deficit position of £29m the Trust will need to fulfil an ambitious Cost Improvement Programme (CIP) of £21.3m which will require significant support for divisions until the model is fully embedded.

Management Comments

The Trust has introduced mandatory financial training for all budget holders to ensure they have the appropriate skill set to be able to manage their budgets efficiently and effectively. Alongside this each division has a dedicated finance resource to support them in delivering financial sustainability and this resource will be further enhanced as the Trust moves forward to introduce a finance business partner model. All budget holders receive monthly financial information on performance against budgets, CIP delivery and forecast information and regular budget holder meetings are scheduled to explain this and support budget holders with financial performance.



The range of recommendations that external auditors can make is explained in Appendix C.

Governance



We considered how the NHS Trust:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

Risk Management

BHT's assurance processes are similar to most NHS providers, with a three-tier process of managing risks culminating in the Board Assurance Framework (BAF) to capture strategic risks and a Corporate Risk Register (CRR) managed at Trust level, which are presented to both the Audit Committee and to the Board on a quarterly basis. This is underpinned by operational registers maintained at the Directorate level using the DATIX system and reviewed on a monthly basis by the Risk & Compliance Monitoring Group. During the year, a new Datix system to manage the risk registers was introduced, to improve how the Trust monitors risk and to help embed consistency in risk management across the organisation. The digital platform for the BAF is due to be upgraded during 2022/23.

The Trust has in place both a Risk Management Strategy and Policy to guide risk management. These outline responsibility for the identification and mitigation of risk among the Executive Team and Board sub-committees, with the Board retaining oversight. The policy also includes a risk management tool to help staff assess risks as well as a standard risk register template for collating these together.

In the prior year we identified that the Trust's risk management arrangements were not as effective as they could have been, and how the ambition was to address this through facilitated Board workshops. It is clear this work is still ongoing and that the Trust is on a journey to effectively embed robust risk management across the organisation. There have been areas of improvement from the prior year detailed below:

- The BAF was not updated during 20/21, however it was updated on a quarterly basis in 21/22. This is in line with common practice across the NHS.

In 20/21 the Director of Governance retired, and responsibilities were shared among other managers. Our recommendation was the Board should consider if sufficient capacity, skills, and experience were in place for ensuring the governance arrangements continued to operate effectively. The Trust has introduced a Trust Board Business Manager to be the organisational lead for all matters related to Trust Board governance and to support the Chair in ensuring that Trust Board procedures are complied with and that the Board fulfils its statutory duties.

The Trust has also faced the challenge of ensuring that there is in place a clear link between the BAF and the CRR without the two crucial risk management documents becoming too blurred. The BAF should focus solely on those strategic risks which are aligned to the Trust's strategic objectives, and which would prevent them from achieving the aims outlined in the Strategy. It should also be clear where the assurance is coming from on which the Board is relying. This follows a top-down approach to risk, with the Board deciding to include, remove or adjust risk scoring as appropriate. It is also imperative that whilst the risks should be captured and sufficiently articulated, reporting and scrutiny should focus on the management of the risk, as opposed to the risk itself. The CRR should then provide an overview of operational risks, which typically may be Trust-wide in nature. Typically, escalation and de-escalation of these risks would be decided by executive team or the Risk & Compliance Monitoring Group, fed into by the service line leads, resulting in a much more bottom-up approach to risk management. It would be expected that the Board would then review, with risks discussed for those areas showcasing a lack of progress.

Governance

Currently they Board review the BAF and the CRR, with the BAF appearing to be too operational, blurring the lines of distinction between the two documents. The BAF has grown over the years so that as of April 2022 it had almost 40 different risks. This is not in line with arrangements across the sector, which would typically showcase between 8-15 risks. Additionally, the updated strategic priorities have not been reflected in the BAF, however it is noted a separate report has been produced to show where these are aligned. Interviews have highlighted that BHT have been focussed on redesigning the BAF, in line with the refreshed strategic priorities as outlined in the Trust Strategy. Conversations with Trust staff have highlighted that the Trust is aware of the need for these improvements and have been working towards a refreshed BAF structure which provides the Board with the detail they need but allowing for refined focus. This is due to be reviewed by the Board at the end of June 2022. By reducing the risks on the BAF this will allow the Board to discuss risks in full and scrutinise whether current controls are working.

Additionally, throughout the year the BAF and CRR have been refined, as historically they were not only crowded but it was not always clear which actions were closed and what new actions had been added. Therefore, the Trust has been working on embedding improved processes to close actions and this can be seen with the various updates throughout the year to the BAF. This has been supported by a more robust Executive Review Process by ensuring that Executives have protected diary time to work with the Trust Board Business Manager to look at the portfolio of risk they are responsible for.

The challenge for the Trust is ensuring that the BAF is sufficiently focussed on only those high-level strategic risks, whilst still providing Board members with the sufficient detail they need to undertake their role of risk management. In light of the significant restructuring that has occurred at the Trust over the previous 2-3 years, there is now an appetite to ensure that governance structures and processes are fully fit for purpose and help BHT to drive forward quality performance. There is an understanding that effective risk management arrangements are integral to the success of the organisation and recognition that embedding these processes will take time and concerted effort from multiple stakeholders across the Trust. This is particularly key during this period of significant transition, and we would encourage the Trust to ensure that risk management remains high on the agenda, particularly in the context of the strategic change affecting the sector presently.

Internal audit and controls

The internal audit (IA) function is undertaken by RSM. Attendance at Audit Committee meetings throughout the year and review of Internal Audit reports reveal that internal audit covers a sufficiently broad range of areas to enable them to conclude appropriately on the Trust's overall system of internal control and provide assurance to the Audit Committee.

The Head of Internal Audit opinion concluded that "The organisation has an adequate and effective framework for risk management, governance, and internal control. However, our work has identified further enhancements to the framework of risk management, governance, and internal control to ensure that it remains adequate and effective."

During the year one 'minimal assurance' opinion was issued to the Trust in relation to IT Asset Management, where significant control weaknesses were identified along with a lack of progress on agreed management actions. This was mainly driven by the implementation of a new asset management module.

Additionally, 5 audits resulted in partial assurance including expenses, accounts payable, asset tracking, waste management and contract management of commissioned services. The latter is discussed further in the improving economy, efficiency and effectiveness area of this report.

The March 2022 Audit Committee highlights how members have been disappointed around the lack of progress with some internal audit actions. The Audit Committee agreed this should be raised to the Board, to be addressed urgently. Whilst it is clear from the minutes of this Committee from both the Director of Finance and the Head of IA that the organisation is trying to be more proactive with implementation of internal audit actions, there is clearly further work needed in this area to address cultural issues with slow response to IA follow up actions. It is evident that leadership takes this seriously, and are working on improvements in this area. Additionally there are areas of the organisation internal audit have expressed that engagement with their services has been positive.

Governance

Quality Governance

In 2019 the Care Quality Commission (CQC) rated the Trust's overall position as 'Good', with Caring being rated as 'Outstanding' and Well-Led as 'Requiring Improvement'. The Trust has since had two further visits from the CQC in February and March 2022, although the findings from these visits have not yet been released. The Trust's aim is to move to an overall rating of 'Outstanding' with recognition that they are on an improvement journey, and this may take some time. BHT's recently drafted Quality Strategy underpins those key areas of focus which will help the Trust to realise this ambition.

In order to ensure key improvements, during the financial year the Chief Nurse commissioned an external review undertake an assessment of the organisational approach to quality governance, which is currently awaiting final sign-off and approval. This has identified five priority themes for the Trust to focus on including:

- risk management
- serious incident management
- learning and sustainable improvement
- use of data and systems
- quality governance infra-structure

In response BHT has drafted an action plan for consideration which focusses on implementing the improvement recommendations as a result of this review, by January 2023. Achievement of this has also been included in the Trust's operating planning under 'Improving Patient Safety'. There were 48 recommendations made across strategy, capability and culture, process and structure and information and assurance. Actions which are currently in progress include development of an overarching Integrated Governance Strategy, the Quality Improvement Strategy, a revised Risk Management strategy and training programme and revision of key policies such as Complaints Process and Serious Incidents.

Some of these actions have already been implemented including upgrade to Datix modules as part of strengthening risk management and draft publication of the Quality Strategy 2022-25. In order to create sustainable change, BHT is also developing a quality improvement dashboard in order to set improvement trajectories and to track progress. Whilst it is clear there is still a lot of work to embed areas of improvement, work is already underway with clear accountability from the executive leadership team to push forward action plans.

Policies and compliance

The Trust has in place expected key policies which are available to staff on the intranet including Code of Conduct, Risk Management and Whistleblowing policies. However there are some deficiencies identified by the quality governance review which highlighted the Trust has a number of out of date policies. As part of the action plan in response to this, the Trust is risk-assessing all out of date policies and working to streamline the process on policy updates. This will include safeguarding a sign off process which includes both subject matter experts and clinical leads for policy updates. All new policies will also include a 'Policy on a page' and flowcharts to help inform their implementation.

Additionally the review identified that some policies could benefit from revision including the Complaints Policy and processes which would help improve categorisation and be supported by a training programme focussing on providing empathetic responses. The Serious Incidents and Incident Policy and processes will also be revised in order to help shift the focus from process to learning and improvement. This work has already commenced at the Trust. Our conversations with Trust staff identified that the BHT is enthusiastic about making the requisite changes identified from this review and welcome the findings of the upcoming CQC report on the Well-Led framework to feed into their current action plan.

In relation to compliance, we are not aware of the Trust making any unlawful decisions in year. The Trust has been historically rated as Requires Improvement for Well-Led by the CQC in 2019 although some of the underlying reasons for this finding in 2019 have been resolved, such as resolving interim executive appointments and strategies such as the Clinical Strategy being fully developed. The Trust had a Well-Led visit in March 2022, for which the findings are not yet released.

In relation to Ockenden, in October 2021 BHT was assessed as compliant with 66 minimum evidence requirements and non-compliant with 56. In response weekly Ockenden compliance meetings have been undertaken since January 2022, with 54 of 56 minimum evidence requirements completed by the end of the 21/22 financial year. The two uncompleted actions are a duplicate which has left one outstanding action for the Trust in relation to twice daily consultant led labour ward rounds for which the Trust has secured one year of funding for the increased hours and a plan to recruit is in progress. It is evident that the Trust has responded quickly and efficiently to the national findings and has used these to make requisite changes across the service area.

Each year the Trust completes an annual process to understand compliance with legislation which is considered by the Quality and Clinical Governance Committee (QCG), Executive Management Committee and discussed at Public Board (Jan 2022). Whilst there were 5 gaps in compliance identified, there was no unlawful activity highlighted.

Governance

Data

The Trust is aware of the risk of disruption caused by cyber incidents and has this as a risk on the Corporate Risk Register. Controls include regular auditing and monitoring, hardware and software patching, and the DSP Toolkit which was submitted on 30th June 2021, with an update to be submitted in June 2022. The Trust is in the process of defining a Cyber Security Strategy. However, the Trust's BAF highlights that they have low compliance with regulatory requirements related to both data protection and security which places them at risk; this is also driven by outdated infrastructure and paper based manual information flows. The Trust is aware of this risk and is putting in place measures to mitigate included annual audits of the data security and protection status, a Digital Strategy supported by capital budgets, and ICT Board which meets monthly to assess improvements in digital maturity which feeds into Transformation Board meetings. However, this is still a Very High risk to the Trust going forward.

Whilst no breaches have been noted, the Trust should continue to focus and stay alert to the risks posed by data security breaches including production of a Cyber Security strategy, continued training compliance and capital budgets to support implementation of the Digital Strategy.

In relation to data collection and mapping, there is an exercise to be undertaken to ensure that data is appropriately cleansed as part of the move to the new Datix module as part of risk management, which the Trust has identified and included within their improvement action plan. Additionally, the Trust is aware of the importance of efficient use of data and is focusing on invigorating data collection and reporting through development of data dashboards as part of quality reporting to ensure 'one version of the truth' is used across divisions. Despite this the BAF highlights the "suboptimal use of data" and the lack of structured data sources which is hampering data quality, leading to a risk of underutilisation of effective data and business intelligence throughout the organisation. Interviews with staff have highlighted that there are gaps in infrastructure and systems, and a need for significant transformation in IT which is made difficult by current capital budgets, although Digital TIF bids have been approved to support digital recovery.

System Governance

Representatives of the Trust engage in regular ICS meetings at Chief Executive, Director and Deputy Director level where system-wide projects and funding are discussed and agreed, and system priorities are communicated. Meetings include the BOB ICS System Leaders Group, ICP Executives Meetings and the ICP Buckinghamshire Ukraine Partnership. At Trust level, system priorities are discussed on a regular basis at Trust Board to ensure that Board members have oversight of current developments, and can agree the best way for the Trust to have influence over system-wide decision-making.

Each Board meeting has a Place and System Briefing which provides updates on the progress with ICBs. In February the DoF provided the Board with an update on the progress of the operating plans 2022/23 with the final submission to be provided on the 28th April.

Furthermore, there are discussions around "joint waiting lists" and pooling resources and specialising. The BAF regularly refers to the system working arrangements in place across the ICS and how these are being used to help identify and resolve key risks to the system and Trust. Examples include the financial sustainability of the Trust and capital requirements necessary for service delivery. One of the BAF risks specifically highlights the risk of an inability to innovate and work with partners to deliver new models of elective care, highlighting that mitigating actions include plans developed in conjunctions with the ICS e.g. Acute collaboration workstream (ACW).

In the new ways of working, we have seen the ICS taking a bigger lead, particular on finance. Clear evidence is that the financial and operational plans have been agreed with the ICS. Whilst the Trust sets its own budget, activity plans and capital programme this is presented to the ICS to negotiate the position for the system as a whole before submitting to NHSEI for approval. The ICS is in the process of organising the first System Strategy Steering Group to support ICB and ICP strategic discussions, with a separate project team to support this work.

The Trust's CEO participates in both the ICP Board and the ICS Senior Leadership Group. The Chair attends the ICS Chair's Group. It is still early in the system governance journey, but it is clear governance structures and more joined up working across the local health economy is beginning and that BHT is engaged as a key member.

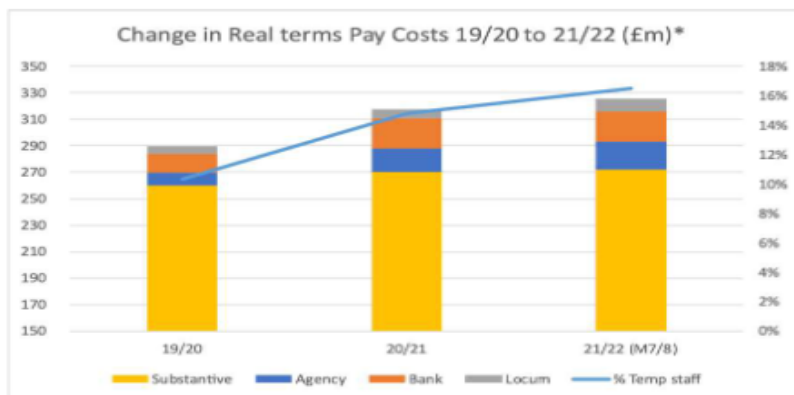
Governance

Workforce

Workforce is the greatest asset of the NHS and key to ensuring delivery of high quality care, but staff shortages and increased pressures, exacerbated by the Covid-19 pandemic, means that workforce may be the key limiting factor in tackling the backlog and boosting activity levels across the NHS. At BHT, annual pay costs have increased by £36m (12%) since 19/20, with the percentage of temporary staff increasing from 10% to 16%. This has been driven by increased absences due to sickness and self-isolation and limited budgets for substantive recruitment during the year. The Trust recognises it needs to reduce its reliance on temporary staffing to reduce costs and has increased substantive recruitment budgets for 22/23 with the hope that an investment in workforce will alleviate reliance on temporary staffing.

The Trust has also mapped the overall pay split by staff type, profession and area to understand the overall change in each area. This has allowed BHT to identify that corporate spend has had the highest percentage change, providing the Trust with the opportunity to reduce costs without impacting on clinical services.

BHT is aware that operational planning will fail unless the Trust can recruit and retain sufficient staff with the right mix of skills. Therefore the Trust has engaged in workforce planning, working with the ICS as a whole and an external organisation, 'Health Dynamics', who provided support and guidance through deep dives into various specialities to provide insight into service need. This has resulted in 5 different projects focussed on recruitment and retention, culture and leadership, supporting staff, workforce development and productivity.



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In order to tackle these workforce challenges the Trust has implemented a number of schemes including the International Nursing Recruitment Programme, which in 21/22 met the target of 238 hires in year and with a further target of 120 by December 2022. The Trust has also been focussed on supporting an inclusive culture and building leaders through the Peak Leadership Programme, which by March 2022 almost 750 managers had undertaken. This provides managers with full training with a particular focus on inclusion and people management. There is also a recognition that many of the challenges faced by BHT are national in nature, such as shortage of medical training places, which means there is limited local actions or mitigations which can be taken. Therefore one of the key focuses for workforce planning is on skill mixing and education of staff through allied health professional pathways. This also provides the Trust with the opportunity to build the key skills that the organisation needs.

In order to improve retention rates there is also work underway including an adapted leaver policy with a centralised resignation inbox and provision of wraparound support such as internal job boards, carer coaching and expansion of mediation services. Linked with this is staff wellbeing which also continues to be a key focus, which the Trust is actively working to improve. For example, BHT provided staff with wellbeing payments, and 2 additional wellness days at a total cost of £3.8m in 21/22. There has also been expansion of the physiotherapy and counselling services available to staff with a focus on reducing long term sickness. They have also continued with a multi-year strategy which includes the 'Thrive@BHT' programme and a focus on Bullying & Harassment and Equality, Diversity & Inclusion. There is demonstrable evidence that elements of these programmes are working. For example the NHS Workforce Race Equality Standard published in March 2022 highlighted that BHT were showing sustained, long-term improvement in relation to shortlisting of BME candidates compared to their white counterparts. The results of the 2021 Staff Survey were promising, with BHT scoring above average in 8 of the 9 themes, particularly in 'we are compassionate and inclusive' which received the highest score. Whilst both staff engagement and morale scoring was lower than in the prior year, this was also the result at a national level so BHT is not an outlier in this regard. Towards the end of the financial year, BHT was also chosen as one of 23 out of a possible 230 organisations to pilot the 'People Promise Exemplar Programme'. This is a 12 month, national initiative focussed on employee engagement and reducing attrition across all employee groups.

Evidently the size and complexity of the workforce challenge will require continual action from both the Trust and across the system. It is also apparent that high quality leadership will also be essential in sustaining a culture that supports and values staff. The results of 2021 staff survey are encouraging, and highlight some areas of improvement which the Trust is working on progressing.

Improvement recommendations



Governance

Recommendation 3

Improve response to internal audit recommendations

Why/impact

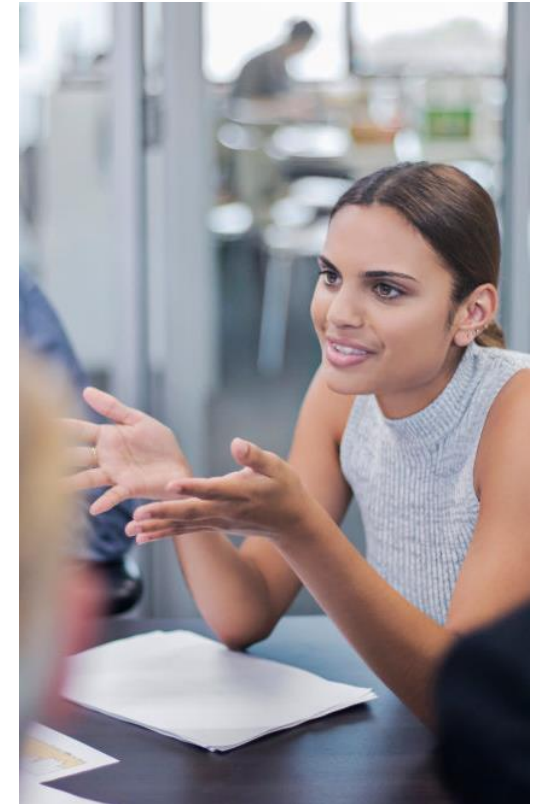
Internal audit is a cornerstone of good governance. Their work ensures that risk control and governance processes are evaluated, however it is the responsibility of management to ensure that recommendations are implemented in a timely manner. Any delays or inaction exposes the Trust to risk of an inadequate internal control environment or non-compliance which could have a significant reputational, financial or patient care impact.

Auditor judgement

The March 2022 Audit Committee highlighted how members have been disappointed around the lack of progress with some internal audit actions. The Audit Committee agreed this should be raised to the Board, to be addressed urgently. Whilst it is clear from the minutes of this Committee from both the Director of Finance and the Head of IA that the organisation is trying to be more proactive with implementation of internal audit actions, there is clearly further work needed in this area to address cultural issues with slow response to IA follow up actions. It is evident that leadership takes this seriously, and are working on improvements in this area, additionally there are areas of the organisation internal audit have expressed that engagement with their services has been positive.

Management Comments

The EMC is now receiving Internal Audit recommendations tracker to facilitate timely implementation of recommendations.



The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Governance

Recommendation 4

There is a need to continue refinement of both the BAF and CRR, whilst ensuring they remain aligned to each other and the Trust strategy.

Why/impact

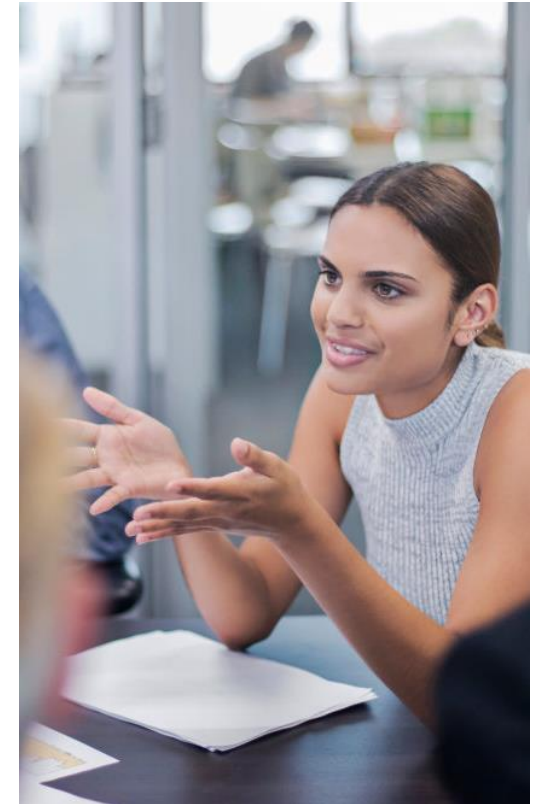
There is currently an overlap between the BAF and CRR with the BAF having grown to almost 40 different risks over the previous few years. This makes it difficult for the Board to discuss the most significant risks in full and scrutinise the adequacy of current controls.

Auditor judgement

Our work has shown that the Trust are aware that there is a need for current refinement of both the BAF and CRR, which has been demonstrated by the closing down of actions throughout the year. However, there is further work required to ensure that both of these risk management documents are fit for purpose, which includes a reduction in those risks which are currently documented in the BAF and further alignment with the Trust strategy. It will be important that risk management remains high on the Trust agenda and these changes are implemented in a timely manner in order to ensure robust risk management into the future, particularly given the context of the wider governance changes in the NHS landscape.

Management Comments

Both the BAF and CRR are undergoing a process of refinement with engagement with relevant Directors as necessary.



The range of recommendations that external auditors can make is explained in Appendix C.

Improving economy, efficiency and effectiveness



We considered how the NHS Trust:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- 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
- where it commissions or procures services assesses whether it is realising the expected benefits.

Performance Reporting

Performance reporting has remained consistent with the previous year. Performance is monitored comparing actual to target performance against a number of Key Performance Indicators (KPIs); these are reported via the Integrated Performance Report (IPR). The IPR is presented to the Board at each meeting and reviewed at the Finance and Business Performance Committee between Board meetings. There is evidence of a good level of discussion of the performance presented at these meetings.

The reports use the Statistical Process Control approach which is common across the NHS to identify variations to target which are either common or special cause and therefore highlight where action needs to be taken. The key indicators cover constitutional standards, quality governance and workforce metrics and we have not noted any areas omitted that we would expect to see from the Trust's operations, national standards, or the sector environment. The reporting includes details on factors causing poor performance as well as mitigating actions the Trust is taking and as such is deemed to be comprehensive and transparent. The finance report, which includes Trust-wide and divisional performance, is reported alongside the Performance Report allowing the committees to link service activity to financial implications. The report includes benchmarking graphs with other Trusts, specifically the South-East region and against national averages. We have seen evidence of the Trust utilizing Model Hospital.

This allows the Trust to gauge whether its performance is off target due to actions by the Trust or whether it is caused by pressures from the environment they are operating in and therefore affecting all Trusts. As a result of the inclusion of this benchmarking in performance reporting Executive Team members and NEDs have an appropriate level of information with which to understand the Trusts performance and base decisions upon.

Performance

In 2019 the Care Quality Commission (CQC) rated the Trust's overall position as 'Good', with Caring being rated as 'Outstanding' and Well-Led as 'Requiring Improvement'. The Trust has since had two further visits from the CQC in February and March 2022, although the findings from these visits have not yet been released. The Trust's aim is to move to an overall rating of 'Outstanding' with recognition that they are on an improvement journey. The recently drafted Quality Strategy underpins those key areas of focus which will help the Trust to realise this ambition.

2021-22 continued to be a challenging year for NHS providers with the COVID-19 pandemic further impacting elective backlogs and workforce pressures. Via our own internal benchmarking tool we investigated how the Trust was performing to key regulatory standards set by NHSEI against other Trusts (see graphics on the following pages). We have updated the narrative with the latest figures available and actions that the Trust is taking to improve performance.

Improving economy, efficiency and effectiveness

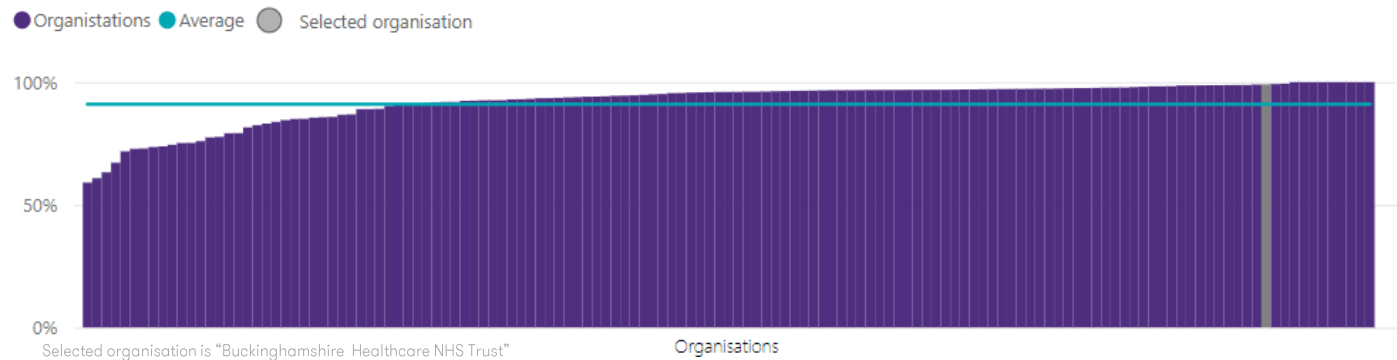
Cancer

The Trust has ensured that Cancer services have remained open throughout the pandemic. During 2020/21 there were improvements in relation to the number of patients referred to the cancer pathways, with the figure rising to 456 per week in 2021/22 compared to 350 per week in 2020/21. In 2021/22, 91.3% of these patients were seen for the first time within two weeks against a target of 93%.

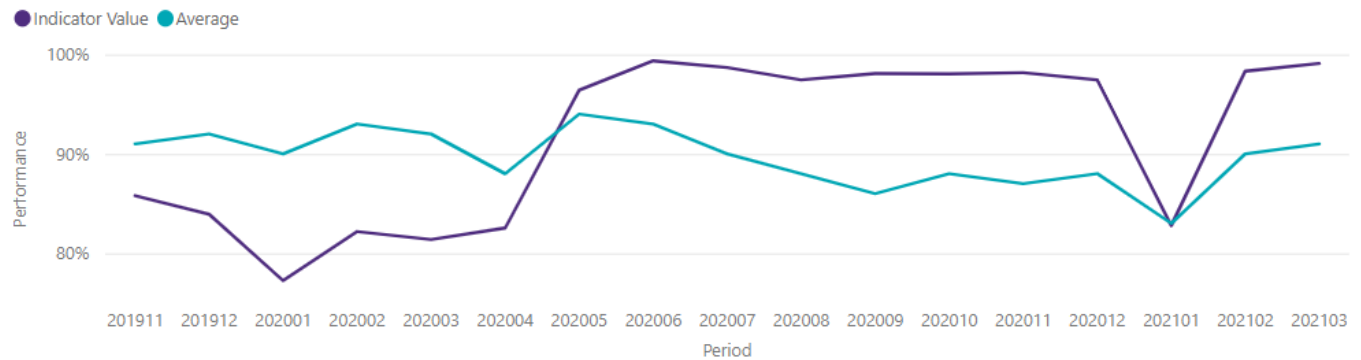
The Trust continued to struggle to meet the 85% target of cancer patients being given their first treatment within 62 days. The percentage achieved by the Trust for 2021/22 was 47% compared to 75% for 2020/21. The reason for the decline in the year was the Trust had to prioritise patients clinical needs. This meant that patients who had already breached the waiting day time-limit were not deprioritised in favour of patients who were about to breach the target.

There has been a detailed plan put in place in response to the current performance against target and significant improvements are expected over the next 12 months. The Cancer Recovery Group was set up in December 2021 to provide the Trust oversight of the operational management of cancer services and to ensure that appropriate actions are being taken to recover Cancer Performance Indicators. The Cancer Recovery Group reports directly to the Executive Management Committee to ensure proper governance is in place.

Percentage of patients with two-week cancer treatment wait (all cancers)



Percentage of patients with two-week cancer treatment wait (all cancers)



Improving economy, efficiency and effectiveness

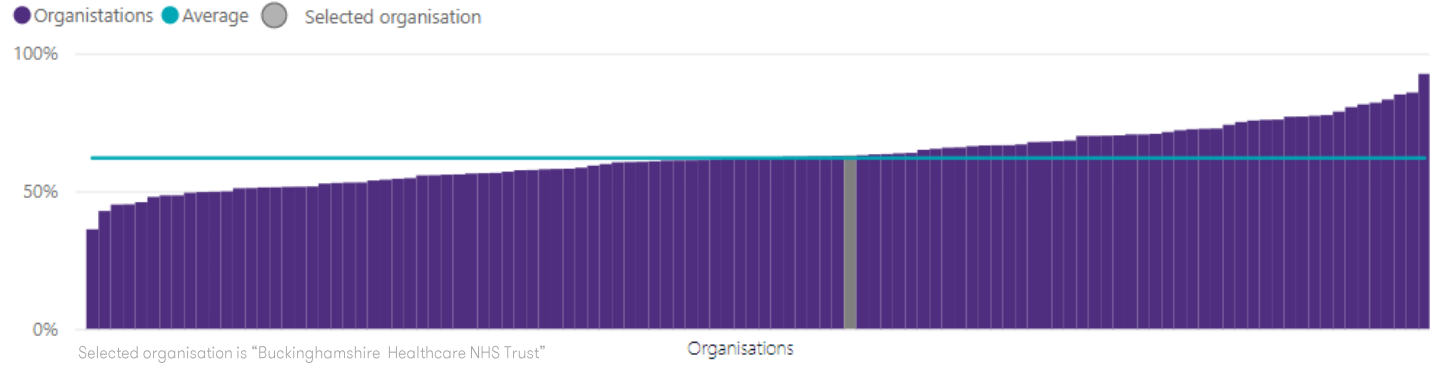
Accident and Emergency

Accident and Emergency (A&E) waiting times are measured by looking at the percentage of A&E attendances where patients were admitted, transferred or discharged from A&E within 4 hours of arrival. The national target is 95% and the Trust has only achieved waiting times of 75.2% against this target in 2021/22. This is a reduction from the 83.4% achieved in 2020/21.

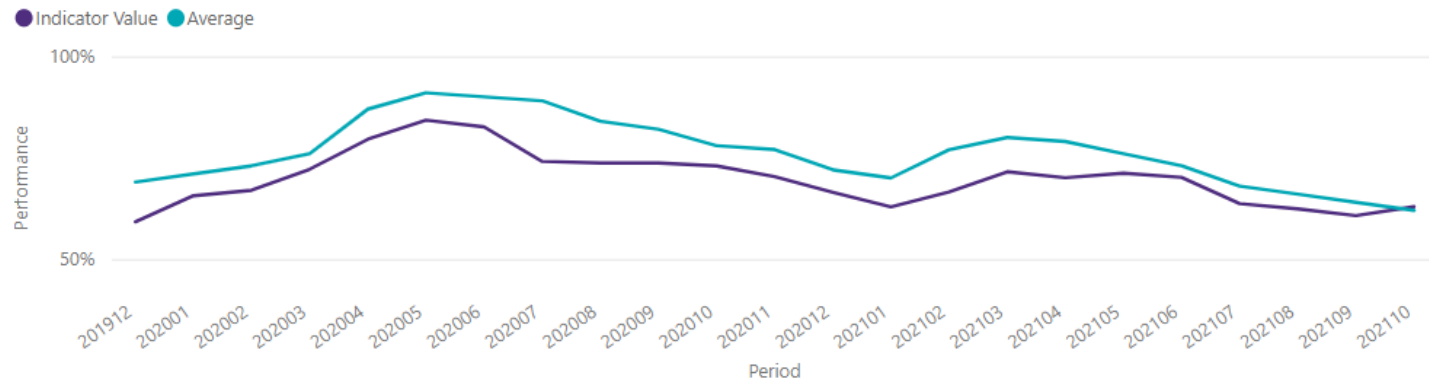
The driver for this reduction is the increase in attendance in the year, with attendance rising to 146,022 in 2021/22 compared to 105,786 in 2020/21. The Trust has struggled to deal with the increase in attendance as many patients attending are more acutely unwell due to delaying treatment during the COVID-19 pandemic.

A Trust wide Urgent and Emergency Care plan will be launched in May 2022, that will aim to deliver sustainable improvements in performance by looking across the pathway from the front-door to discharge.

Percentage of patients admitted, transferred or discharged from A&E within 4 hours



Percentage of patients admitted, transferred or discharged from A&E within 4 hours



Improving economy, efficiency and effectiveness

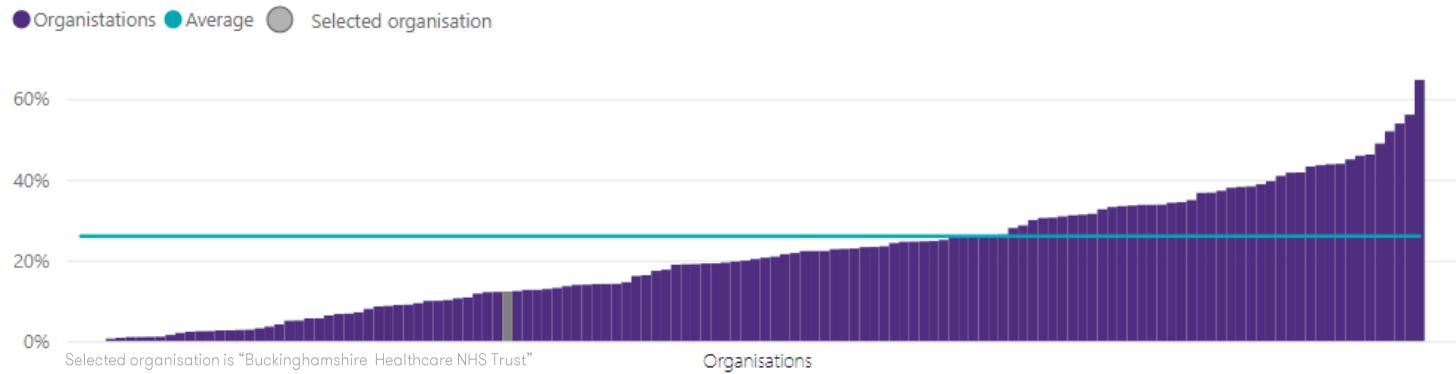
Diagnostic wait times

Diagnostic wait times are the time it takes for a patient to have their diagnostic procedure within six weeks of referral; the national target is 99% of patients should have their procedure before the six-week time limit. The trust achieved an average percentage of 85% in 2021/22.

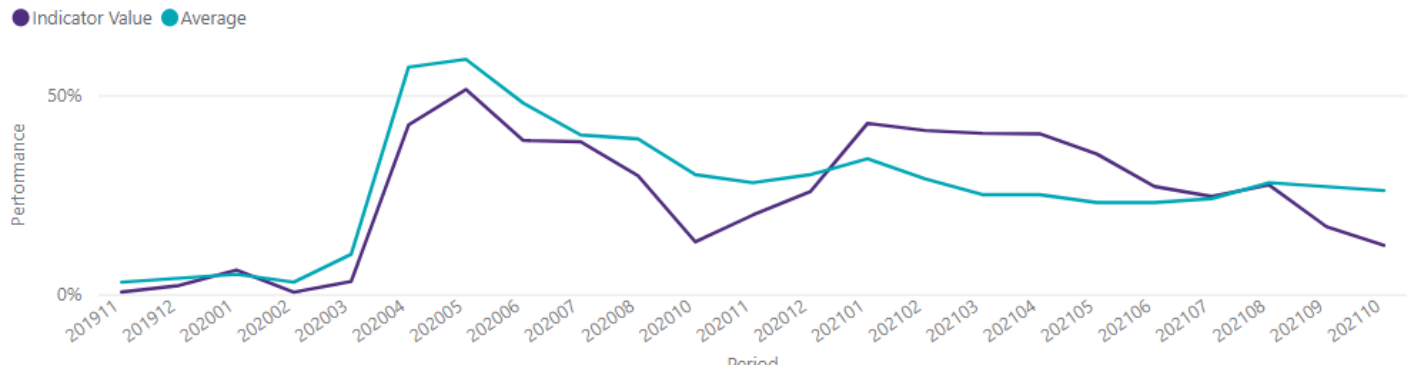
We note that recovery is improving with the percentage of patients with a six week referral being 70% in August 2021, compared to 87% in March 2022. The Trust has also highlighted improving diagnostic capacity as a “must do” within its 2022/23 Operating Plan. There is a target of 120% of 2019/20 levels being met. There is a Diagnostics Oversight Group in place that is co-ordinating improvements in this performance area through means such as obtaining capital funding for endoscopy.

We also note that the ICS diagnostic strategy is in the process of being developed. This will give an outline of a roadmap for the next 1-5 years to improve diagnostic performance across the local health system. This strategy is expected in June 2022.

Percentage of patients waiting 6+ weeks for diagnostic tests



Percentage of patients waiting 6+ weeks for diagnostic tests



Improving economy, efficiency and effectiveness

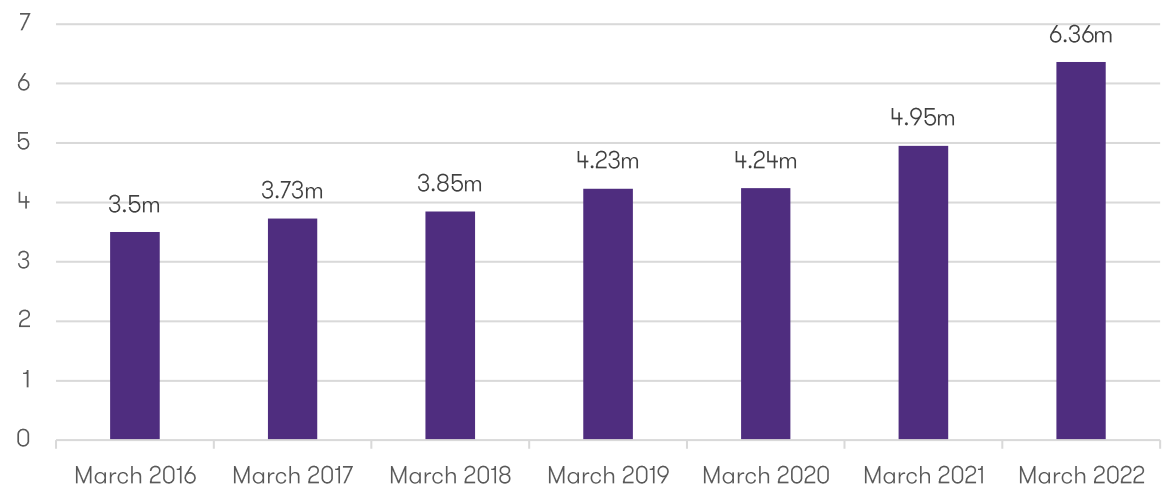
Referral to Treatment

The referral to treatment (RTT) waiting times measures the time between the patient being referred to a service and the time the patient started the treatment. This metric has become particularly important over the past year due to the elective backlog challenges the sector is currently facing. The elective backlog consists of the care that the NHS would normally have delivered but which was disrupted as COVID-19 impacted on service delivery. This includes cancelled procedures, cancelled or delayed referrals, refused referrals due to capacity constraints and waiting list treatments which would have been seen by now under ordinary circumstances.

NHS England has issued a delivery plan for tackling the COVID-19 backlog of elective care in February 2022. The ambitions of this plan are to have:

- No patient waiting for elective care will have to wait longer than a year by March 2025;
- By March 2025 95% of patients needing a diagnostic test will receive it within six weeks;
- By March 2024 75% of patients who have been urgently referred by a GP for suspected cancer diagnosis will be diagnosed or have cancer ruled out within 28 days of referral; and
- Greater use of technology, that will transform the model of care and improve waiting times.

Number of patients on NHS waiting lists for elective care (millions)



Improving economy, efficiency and effectiveness

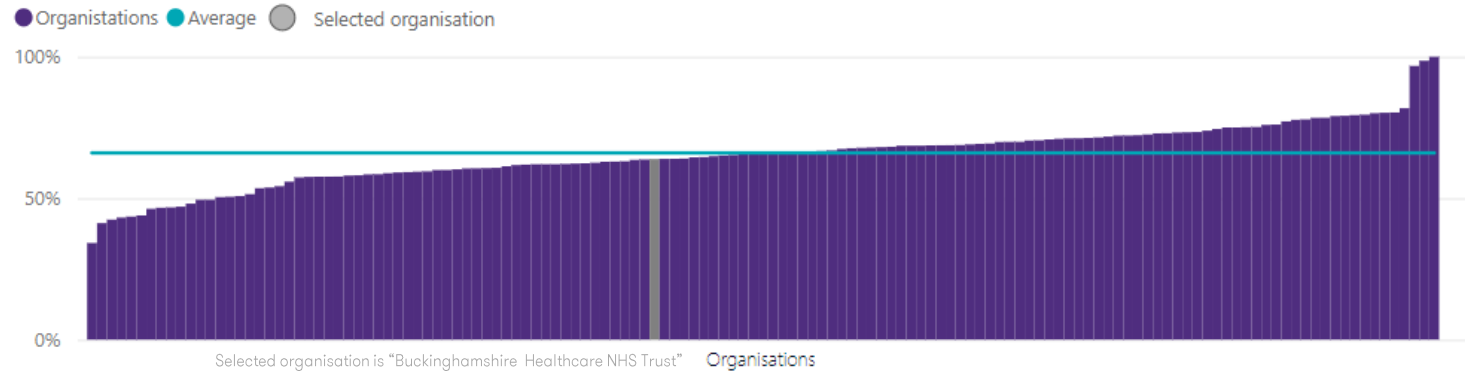
The Trust has improved on the average performance of RTT for admitted pathways in 2021/22 with the percentage being 64.7% of patients waiting 18 weeks or less for treatment, compared to 61.7% in 2020/21. However average performance of RTT for patients on non-admitted pathways has deteriorated to 67.9% for patients waiting 18 weeks or less compared to 75.6% in 2020/21.

In 2021/22 there have been 60 breaches of patients waiting 104 weeks for treatment. Of these 60 breaches, 6 occurred in March 2022 due to staff sickness and patient wellness. The Trust is now on track to treat the remaining patients on the 104 waiting list by the end of May. As part of the NHS England plan to reduce the elective backlog (discussed above) they have set an ambition that no patient will have to wait over two years by July 2022, the Trust is set to achieve this ambition.

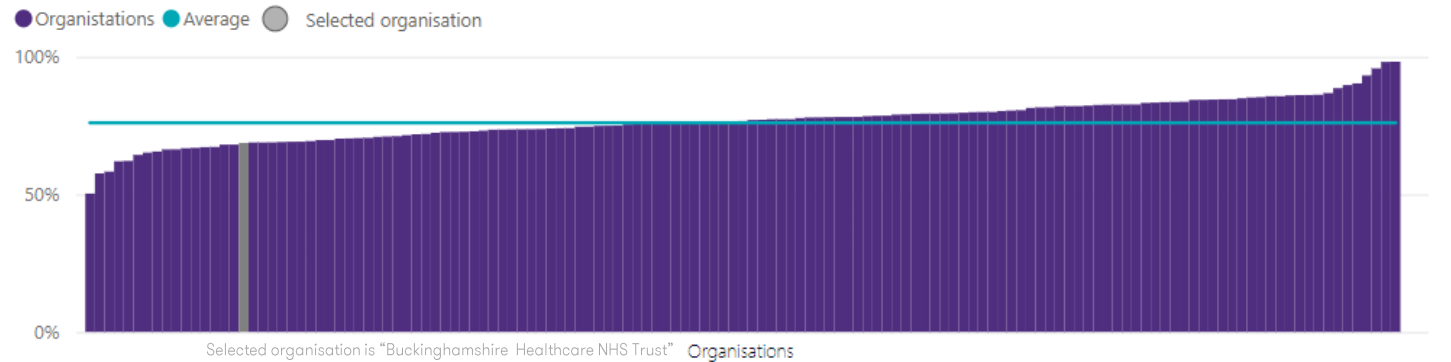
The Trusts overall waiting list is high. At the end of February 2022 the overall waiting list for patients waiting for assessment or treatment was 36,240 patients, compared to 37,590 patients in September 2020/21. There were also 4,429 patients waiting over 52 weeks for assessment or treatment in 2021/22 compared to 5,160 in September 2021.

Based on the deterioration of the 18 week waiting lists and the overall patient backlog we have made an improvement recommendation in relation to monitoring the benefits of current plans in place, on page 33.

Admitted patients waited 18 weeks or less from referral to treatment



Non-admitted patients waited 18 weeks or less from referral to treatment



Improving economy, efficiency and effectiveness

Procurement and Contract Management

The Trust has in place a procurement strategy for 2018-2021 and accompanying Procurement Manual, which evidence, through review of documentation and interviews with procurement staff, suggests is regularly followed. The procurement function has also been heavily involved in construction of the Trust's Standing Financial Instructions to ensure procurement practices are sufficiently reflected within the policy.

BHT policy outlines how all commercial opportunities should be considered on a case-by-case basis and in accordance with its updated business case processes. An audit of this process was undertaken in 2021/22 to consider the new framework in place, introduced in January 2021, however full implementation of the process had been delayed so compliance will be reviewed in 22/23. Findings highlighted that the framework, process and templates were clear and allowed for consistency in approach. Additionally, the Business Case Panel meet on a fortnightly basis and have broad membership across divisions, finance workforce, Quality Improvement (QI) and Transformation which helps provide sufficient oversight. In our 2021-22 VfM findings, we raised recommendations around Post Implementation Review, which was also considered as part of internal audit's work. The findings confirmed that "the process for post implementation and benefits realisation is clearly defined and provides guidance at early stages of the project to ensure the delivery of the scheme is consistent with the planning assumptions made at the time of the business case."

BHT's procurement team play a role in 3 key areas of Strategic Procurement, Transaction Procurement and Materials Management. which includes dealing with suppliers and running tender processes, along with running transactions both in and outside of catalogue orders. Whilst the teams work with divisions through attendance at monthly CIP meetings, they are in the process of re-establishing closer working relationships with the clinical divisions, as currently these are less formal than previously, as a result of pandemic pressures. Despite this, relationships with non-clinical areas, particularly IT and Property services, are well-established, with attendance at departmental meetings on a regular basis.

The team also have developed relationships with partners across the ICS with regular meetings of acute trusts colleagues over a number of years, to discuss opportunities such as with joint contracting and the Trust has benefited from procurement savings by collaborating across the county on areas such as laptop procurement.

Social value is a key agenda item across the public sector. The Trust is currently discussing this at the ICS level with aims to incorporate guidance into future tenders. This has not been at the forefront of the agenda as the team currently make extensive use of frameworks which actively incorporate social value; however, this will be an area of development in future and should be a key focus.

By working towards an ICS wide strategy this should provide even greater collaborative working and demonstrates the Trust is focussed on effective partnership working.

Monitoring of progress against the procurement strategy is outlined to take place via BHT's Finance and Business Performance Committee (FBPC). However, throughout the financial year the procurement strategy was not a standing agenda item, despite being included on the proposed workplan. We would recommend that this be included going forward to ensure sufficient oversight.

Interviews with procurement staff highlighted that oversight was provided in other areas through reports to Audit Committee and savings delivery monitored via the Project Management Office (PMO). Our review did note that there was oversight from the Audit Committee, but this was mainly focussed on use of waivers rather than the achievement of aims outlined in the strategy. In relation to waivers, internal audit completed a review which highlighted that whilst largely the appropriate systems and controls were in place, further work was still required to reduce the need for waivers, which were commonly employed due to procurement being provided with insufficient time to undertake full procurement processes. In November 2021, LCFS reported to AC that BHT's use of waivers were higher compared to similar sized organisation. It is clear from minutes that reduction of waivers has been a priority for the Audit Committee, and we would recommend this should continue to be reported in this forum.

Historically BHT has not had consistently robust arrangements for contract management focussed on achieving value for money. However, it is clear that this has been an area of focus, with BHT having now established a contract management database which currently covers 90% of contracted spend, and an assessment tool which has been used to illustrate to stakeholders where value can be delivered. This has been utilised as part of the ongoing management of the Trust's PFI contracts which has added millions of pounds of value over the life of these contracts. The Trust's Commercial Strategy 2022-2025 outlines robust contract management as a key component of achieving a commercial culture and approach. Plans are therefore in place to expand contract management across the Trust with establishment of a specialist Contract Management Team in 2022/23. We welcome the introduction of specialists to review contract management arrangements across the Trust with a focus on achieving best value in future years.

Post pandemic BHT will need to meet increasing challenges. The way the Trust manages non-pay spend and works with ICS partners will be a key factor in the delivery of some of its objectives, and procurement has a significant role to play in this. Therefore, it is imperative that sufficient oversight is provided on procurement activity and change at committee level.

Improving economy, efficiency and effectiveness

Fedbucks

Fedbucks is a federation of 45 GP practices across Buckinghamshire who are a member organisation of the Buckinghamshire Integrated Care Partnership (Bucks ICP). They work in partnership with BHT to deliver services from the Urgent Treatment Centre based at Wycombe Hospital. This contract has been in place since April 2019 and includes GP Out of Hours, an Urgent Treatment Centre (UTC), as well as A&E streaming with an annual contract value of £5.4m.

IA completed an audit of contract management of commissioned services which found that whilst contract review meetings were held with activity reported to the Executive Management Committee (EMC) on a regular basis, there was no evidence that contract management or Key Performance Indicator (KPI) reporting for the Fedbucks contract occurred. There is a risk that if the contract monitoring arrangements are not in place the Trust will find it difficult to judge whether the requirements of the contracts are being fulfilled, and value for money is being achieved.

Similarly the report also noted that they were unable to confirm whether contractors were being adequately challenged and held to account regarding breaches of KPIs. For the Urgent Treatment Centre performance in particular the datasets that were reported back were unable to be confirmed to sources to ensure accuracy. The lack of evidence of adequate challenge surrounding the Fedbucks contract in particular furthers the risk that services are not being provided satisfactorily and the Trust is not achieving value for money.

There was also no evidence to confirm to IA that there was no duplication of work between the Fedbucks contract for the UTC and other Fedbucks contracts held by the CCG. Whilst there are plans in place to pull services together, the current risk is that BHT are paying for services for work they are already receiving.

Lastly, IA were also unable to confirm that commissioned contracts had been appropriately tendered. Whilst the Fedbucks contract had been signed by the Chief Executive of both parties, IA found no evidence of the procurement and tendering process prior to the award. Despite the risks to Value for Money, there is also a significant conflict of interest between the two entities that BHT needs to manage. Without evidence of the procurement and retendering process, there is insufficient evidence to verify that these conflicts were adequately managed.

Whilst the FedBucks contract is not material in any one year, it is cumulatively material to the Trust as the contact spans several years. There are ongoing disputes between BHT and FedBucks that we have identified from our financial statements audit and there are weaknesses in contracting arrangements identified from Internal Audit. The arrangements in respect of this contract are insufficient, and we have raised an improvement recommendation accordingly.

Integrated Care System

One of the key national priorities for the NHS for 22/23 has been on the establishment of the Integrated Care Boards (ICBs) and more collaborative system working. A target date of 1st July 2022 has been agreed for the new statutory arrangements for the legal and operational establishment of the ICBs. The BOB ICS is made up of Buckinghamshire, Oxfordshire and Berkshire West, (BOB) providing services for a population of around 1.8 million people. The BOB ICS has developed shared aims of improving patient outcomes and experience whilst achieving financial balance. There is an emphasis on provider collaboratives to be responsible for commissioning services and sound financial management. Whilst the current focus is on Covid-19 recovery and renewal, there is also focus on public engagement, population health management, integration of commissioning, as well as the Health and Well-Being Strategy.

The Board receives a Place and System Briefing as a standing agenda item to provide information to members on items considered at meetings across the system, including the BOB ICS System Leaders Group, the Integrated Care Partnership (ICP) Executive meetings, and ICS Elective Care Board. This keeps the Board updated and provides ability to challenge on changes across the ICS, allowing the Board to review effectiveness of delivery of patient care in the locality. This is a comprehensive update which includes information on key developments, operational and financial planning outcomes, governance updates, performance reporting and spotlights on regulatory outcomes such as the Ockenden Review. The impact of these for the Trust is also stipulated in the report. It is clear the Board is being provided with regular and detailed updates with opportunities to challenge on a regular basis.

Undoubtedly, managing risks and opportunities across the system will be essential to maximise the benefits for patients. Nonetheless, this is a complex process which will require time and understanding from all stakeholders involved. It is clear there are some key ingredients for success, namely trust, up-front agreement of principles and clear assurance mechanisms. The Trust is working with the BOB ICS to embed these, but as with all organisations across the sector, the journey is just beginning. However, the upcoming introduction of the ICB provides a real opportunity for local integration, innovation and transformation, which must not be wasted.

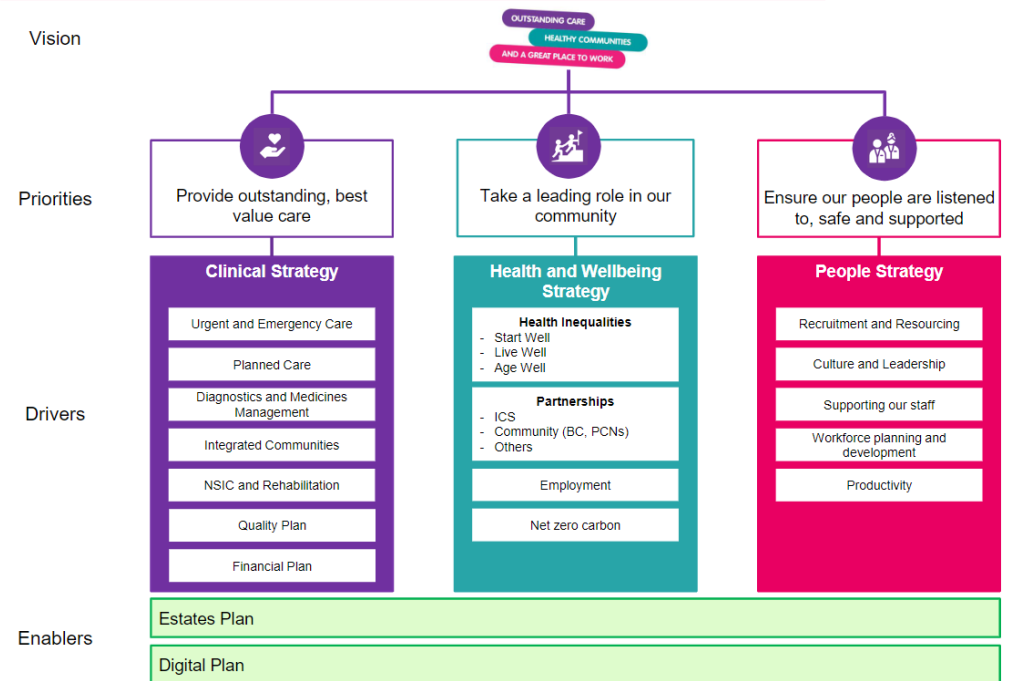
Improving economy, efficiency and effectiveness

Operational Planning

NHSE/I published 2022-23 planning guidance on 24th December 2021 followed by draft technical guidance on 14th January 2022, with plans to be submitted in late April 2022. This recognised the uncertainty around Covid-19 variants and consequent demands on the NHS. National priorities include investment in workforce and responding to Covid-19, all whilst tackling the elective backlog and improving urgent and emergency care and mental health services. These have been reflected in BHT's planning with the 2022-23 BHT Operating Plan Framework clearly outlining the Trust's vision and priorities. These have been underpinned by a suite of strategies and delivery plans including the Clinical Strategy, Health & Wellbeing Strategy, People Strategy and Estates and Digital plans. There has been challenge of operating plans through the committee structure, with improvements suggested such as more specific delivery dates rather than achievement by a certain month. Concerns were highlighted on the achievability of some of the operating plan trajectories.

The Trust developed a planning timetable which clearly outlined milestones for delivery throughout the year. This involved provided business planning guidance to divisions and workshops centred around financial strategy, as well as check and challenge sessions. This aligns with the Trust's ambition to embed accountability and responsibility within divisions, and to move away from a culture of escalating issues to the corporate centre and executive management team. Our discussions with staff around the operational planning approach were extremely positive, with one member describing the plans as "collaborative plans, not divisional plans." It appears that BHT is at the cusp of beginning to fully benefit from the learnings made during the Covid-19 pandemic in relation to flexible, agile and collaborative working approaches, which bring people and ideas together. As the transformational and improvement plans are translated into action it will be important for BHT to sustain engagement into future years. It will also be crucial that the Trust continues to provide support to divisions for achievement of targets throughout the year, and properly transitions to a framework of simultaneously supporting divisions whilst holding them to account, in an effective way, for delivering outcomes.

2022-23 BHT Operating Plan Framework



Improving economy, efficiency and effectiveness

Transformation and Digital

The Trust is embarking on a Transformation and Efficiency programme focussed on service improvement and development of commercial opportunities. Workstreams include an updated Quality Improvement Strategy, use of the Model Hospital to improve productivity and reduction of unwarranted variations through use of GIRFT data. This has allowed the Trust to develop plans to deliver expected cash improvements of over £21m, through reduction in temporary resources and improvements in productivity.

To develop this new approach each Clinical Division was involved in workshops to critically appraise the productivity and opportunities within their areas, assess existing pay expenditure and explore opportunities to change skills mix and reduce costs, review options for outsourcing and insourcing, and evaluate effectiveness of current financial delegations.

Key transformational areas will include:

- Theatres – 50% increase in theatre cases through full utilisation of theatre capacity and productivity levels
- Improved patient flow - extended urgent treatment centres and same day emergency care
- Outpatients - modernisation to improve clinical processes and patient experiences
- Diagnostics – implementation of a diagnostic hub
- Women and Childrens Services – implementation of Ockenden recommendations
- Commerical – maximisation of value through PFIs and private patient income
- Trust wide non-pay – collaboration across ICS and medicine optimisation programme
- People – reduction of agency/locum staff through skill mix changes, enhanced recruitment practices and focus on well-being
- Management & Admin – reduction in costs through the streamlining and standardising of processes, collaboration with the ICS on back-office functions, changes in relationships between corporate and clinical areas

There is potential for technology to support the transformation in care detailed above, which will benefit both patients and staff. However, this is unlikely to be fully realised whilst BHT continues to struggle with basic IT infrastructure. It is clear, that data and digital technology must be at the heart of transformation, but the Trust are currently just at the beginning of this journey and continue to be hampered by insufficient capital budgets. Whilst this necessitates that the Trust must make the most of current investments, BHT must also ensure a comprehensive, detailed plan is developed which is built on future requirements to achieve the aims outlined in the transformation plan. It is clear this is being implemented, with particular focus being given to future changes to the Electronic Patient Record (EPR) system, where the Trust are working with ICS partners to develop a strategic approach to EPR procurement.

Additionally, in July 2021 BHT commissioned a report from a specialist digital health consultancy, Cloud21, into clinical systems. This was compared against a 2017 assessment of digital maturity. The findings highlighted that whilst there had been progress in some areas (strategic alignment, leadership, governance, information governance and enabling infrastructure), there was regression in resourcing and many areas remained the same – which were already at a relatively low level of maturity. Core systems used for storage of clinical documentation were found to be unstructured with an inability to share across partners. The Trust also has in place many specialist systems which have been created in a piecemeal fashion resulting in inefficient processes and providing barriers to sharing data. It is evident and recognised by the Trust as outlined in their Digital Strategy that investment is needed in user-centred digital tools to achieve both organisational and clinical strategies.

There is also recognition that it is necessary to move towards ICS leadership in the digital space, and that the BOB ICS is beginning further back than other systems in this respect. The Trust itself has invested in digital leadership, with a Director of Digital, a Director of Technology and a Chief Digital Information Officer now in post. Critical achievements have been made, such as with enhanced mobile working across the organisation but further work is still required to ensure the technology infrastructure available supports transformation plans.

It is clear that the Trust's plans are ambitious with a clear desire to deliver sustainable improvements across the organisation. In order to achieve this, changes to technology infrastructure must continue to be funded and supported.

Improvement recommendations



Improving economy, efficiency and effectiveness

Recommendation 5

Procurement activity has been included on the FBPC workplan but has not been a regular standing item on the agenda throughout the financial year, this should be included in future to ensure sufficient oversight of procurement activity.

Why/impact

Post pandemic BHT will need to meet increasing challenges, and the way the Trust manages non-pay spend and works with ICS partners will be a key factor in the delivery of some of its objective; while procurement has a significant role to play in this, the appetite for collaboration across the ICS in clinical and non clinical areas will be the determining factor in the Trust's success. Therefore, it is imperative that sufficient oversight is provided on these factors at committee level. If contracts are not subject to a procurement or tendering process prior to being awarded there is a risk that value for money is not obtained for contracted services.

Auditor judgement

Monitoring of progress against the procurement strategy is outlined to take place via BHT's Finance and Business Performance Committee (FBPC). However, throughout the financial year the procurement strategy was not a standing agenda item, despite being included on the proposed workplan.

Management Comments

Procurement related Agenda items will be signposted more clearly on future agendas with reference to the Procurement strategy. These agenda items should take account of the fact that successful delivery of the Procurement Strategy is heavily dependent on decisions taken in clinical and departmental areas



The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Improving economy, efficiency and effectiveness

Recommendation 6

The improvement recommendations raised by Internal Audit in relation to commissioned services should be implemented.

Additionally, the Audit Committee should assure itself that conflicts of management in relation to the procurement and retendering of the Fedbucks commissioned service were appropriately managed and that they continue to be managed.

Why/impact

The arrangements around commissioned services are not fully effective and therefore there is a risk around financial and operational performance. Furthermore, there is a conflict of interest which has been correctly identified and reported but the Trust do not hold sufficient documentation to evidence it has been managed appropriately.

Auditor judgement

Commissioned services are an important feature of the Trust's operational plan and effective arrangements to manage the contract will ensure Value for Money.

Management Comments

This will be overseen by EMC.



The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Improving economy, efficiency and effectiveness

Recommendation 7

The Trust should continue to closely monitor performance in relation to Referral to Treatment (18 week waits), Accident and Emergency (4 hour waits), Cancer pathways (62 day first treatment) and reduction of the overall waiting list, to ensure trajectories are in line with planned targets and actions taking place are creating the expected benefits. Furthermore the Trust, where possible, should continue to work with the local health system to develop plans to improve performance across these key areas.

Why/impact

If the Trust wants to move out of the current SOF3 oversight position they will need to make sustained improvements in operational performance. Based on current performance this is a challenging position and needs to be monitored.

Auditor judgement

The Trusts performance has not meeting expected targets in key performance areas throughout 2021/22, while plans are in place to improve performance these will need to be monitored to ensure benefits are being realised.

Management Comments

This will continue to be monitored closely through the Business and Performance Finance Committee.



The range of recommendations that external auditors can make is explained in Appendix C.

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
1 Ensure that the Trust models and tests the financial implications of new ways of working. This review will also need to incorporate any changes in key assumptions such as updated actual activity levels, inflation and growth to ensure forecasts remain accurate.	Improvement	June 2021	New ways of working and their impact on activity levels and growth have been considered in the development of financial plans in 2022/23.	Yes	No
2 The Board will need to review and respond to the factors that resulted in the pre-pandemic underlying deficit. In particular, the Trust should consider savings that may be possible by addressing some of the factors indicating operational inefficiencies, higher than average estate costs and higher than average pay costs.	Improvement	June 2021	The Trust is in the process of developing a five year transformation plan as part of the refreshed financial strategy, with the drivers of the deficit being a key focus. However due to the role savings plans will play in the medium to long term financial sustainability of the Trust, we will continue to monitor this recommendation as part of 2022/23 value for money work.	Partially – work has been done in the year.	Yes - recommendation is carried forward to 2022/23.
3 Prioritise identifying and delivering future efficiency programmes that will ensure the medium term financial sustainability of the Trust	Improvement	June 2021	The Trust is in the process of developing a five year transformation plan as part of the refreshed financial strategy. However due to the role savings plans will play in the medium to long term financial sustainability of the Trust, we will continue to monitor this recommendation as part of 2022/23 value for money work.	Partially – work has been done in the year	Yes - recommendation is carried forward to 2022/23.
4 Focus on increasing permanent staff reducing the reliance on more expensive temporary staff.	Improvement	June 2021	The Trust have developed a Workforce Plan 22/23 which focusses on increasing recruitment and retention, in order to reduce reliance on temporary staff. There is clear evidence that programmes are in place focussed on tackling this issue, however temporary staffing levels and costs continued to increase throughout the year	No although work is ongoing	Ongoing recruitment through the International Recruitment Programme and growing own talent via Peaks Programme.
5 The Board will need to be aware of pressures to budgets, with effective early warning systems to identify risks and ensure corrective action is taken	Improvement	June 2021	Variances to budgets are reported within monthly finance reports. However as the Trust faces a challenging year ahead to meet their financial targets we will continue to monitor this recommendation as part of out 2022/23 value for money work.	Partially – work has been done in the year	Yes - recommendation is carried forward to 2022/23.

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
6 The Board will need to continue to understand the true underlying financial position, adjusting for the beneficial impact of non recurrent roll-forward 'cushions' from 2020/21, to ensure the Trust is making decisions based on the recurrent financial position.	Improvement	June 2021	The Trust has built their 2022/23 financial plans under the assumption that no additional COVID-19 income will be received. They are also in the process of developing a refreshed financial strategy based on the underlying financial position.	Yes	No
7 The Board should continue to monitor and challenge the Trust on performance against the BPPC target. This should include holding management to account for delivering on actions to improve performance i.e. the investment in technology.	Improvement	June 2021	Progress against the Better Payment Practice Code is specifically monitored as part of the monthly finance reports.	Yes	No
8 The Board should continue to recognise and obtain assurances that the risk in relation to backlog maintenance is being mitigated sufficiently.	Improvement	June 2021	The backlog maintenance is a continuing challenge for the Trust, as discussed on page 11. We will therefore continue to monitor this as part of our value for money work in 2022/23.	No	Yes - recommendation is carried forward to 2022/23
9 Given the level of additional assurances required by the Board in relation to Mobile Working business case to make a decision, management should consider whether more of this information should be included in future business cases as standard as part of continuous improvement.	Improvement	June 2021	The business case process was updated in January 2021 for all business cases from March 2021. Internal Audit have performed a review of the framework and process underpinning business cases in 2021/22 and will perform a review of the compliance with these process in 2022/23. Based on our work to date we are unable to conclude whether this recommendation has been completed.	No	Yes - recommendation is carried forward to 2022/23

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
10 Ensuring that CQC actions are completed in accordance with agreed deadlines.	Improvement	June 2021	The Trust continue to complete CQC actions in line with plans in place. However, we will continue to monitor this recommendation based on the outcome of the CQC inspections that took place in February and March 2022.	Yes	No
11 Risk management training should be enhanced to improve the consistency of the documentation across risk registers and ensure there is a clear golden thread of risks from risk registers to the Board Assurance Framework.	Improvement	June 2021	The Trust are currently updating the approach to risk management across the Trust with a Board workshop scheduled for Summer 2022. This will focus on the BAF and CRR, ensuring these are refined and aligned with each other and the corporate strategy. The Trust introduced a new DATIX system for risk management at the end of the financial year to improve consistency across risk registers, with a new system for the BAF to be implemented in 22/23. Updated training will be rolled out in response to these changes.	Partially – work is ongoing	Yes – updated risk management training, continued alignment of the BAF and CRR to each other and the strategy. Refinement of the BAF to focus on key strategic risks to the organisation.
12 Continue to stress test the quality of the evidence underpinning the level of assurances provided by management to mitigate risks.	Improvement	June 2021	The Trust are currently updating the approach to risk management across the Trust with a Board workshop scheduled for Summer 2022.	Partially – work is ongoing	Yes
13 Maintain a focus on improving the Trust's IT Infrastructure and achieving the requirements of the Data Security and Protection toolkit.	Improvement	June 2021	Trust are aware of issues with the Trust's IT infrastructure and have an updated Digital Strategy in place. However capital budgets are currently insufficient to address the backlog maintenance required. So further funding and work with the ICS will be required.	Partially – work is ongoing	Yes – working with ICS partners on digital leadership to sufficiently tackle inadequacy of Trust and system's IT infrastructure
14 Ensure recommendations arising from information security breaches are implemented.	Improvement	June 2021	The Trust have continued to monitor information security breaches and have made strong progress in relation to recommendations made by Internal Audit.	Yes	No
15 Continue to work on the underlying causes and issues raised in the staff survey.	Improvement	June 2021	It is clear that the Trust take on board the findings of the Staff Survey which resulted in them scoring above average in 8 out of 9 categories for 2021. There is further work to be completed particularly focussing on Learning and Bullying & Harassment.	Partially	Yes - further work to be completed particularly focussing on Learning and Bullying & Harassment.

Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
16	Ensure momentum is maintained with implementing service redesign/reconfiguration that was bought about by the pandemic and has led to improvements in patient care.	Improvement	June 2021	The Trust continues to redesign and reconfigure service delivery to improve patient care. However due to the importance service redesign has on future aims of the Trust, we will continue to monitor this recommendation as part of our 2022/23 value for money work.	Partially – work is ongoing	Yes - recommendation is carried forward to 2022/23.
17	Where appropriate, management should consider reporting the delivery of non-cashable benefits, particularly if these were instrumental in the original business case being approved.	Improvement	June 2021	Through review of business cases in the year we are unable to confirm evidence of this recommendation being completed. As such we will monitor the outcome of this recommendation as part of our 2022/23 value for money work.	No	Yes - recommendation is carried forward to 2022/23.
18	The Board should obtain assurances that the Trust consistently adheres to the established governance arrangements for investment decision making. This will involve practical training to develop the required skills and capabilities across the organisation. It will also require buy in from across all executives to ensure consistent application across the divisions.	Improvement	June 2021	Internal Audit has performed a review of the newly implemented business case framework in 2021/22 and have offered assurance over the framework in place but will perform a review of the compliance of individual business cases as part of their 2022/23 work. We will review the outcome of this work before concluding on this recommendation.	Partially – work is ongoing	Yes - recommendation is carried forward to 2022/23.
19	The Board should continue to challenge, support and contribute to rebalancing the agenda between short term non-recurrent savings and longer-term initiatives with recurrent benefits	Improvement	June 2021	We have seen evidence of Board scrutiny through our review of the Trust Board minutes.	Yes	No

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
20 The Board should ensure there are sufficient governance processes in place to monitor clinical performance in the context of the prioritisation category order established by the Trust	Improvement	June 2021	The Trust have developed and considered governance processes in relation to the monitoring of clinical performance in the year, for example the development of the Cancer Recovery Group which reports to the executive management team.	Yes	No

Opinion on the financial statements



Audit opinion on the financial statements

We gave an unqualified opinion or we qualified the opinion on the Trust's financial statements on 21 June 2022.

Audit Findings Report

More detailed findings can be found in our AFR, which was published and reported to the Trust's Audit Committee on 21 June 2022.

Whole of Government Accounts

To support the audit of Consolidated NHS Provider Accounts, the Department of Health and Social Care group accounts, and the Whole of Government Accounts, we are required to examine and report on the consistency of the Trust's consolidation schedules with their audited financial statements. This work includes performing specified procedures under group audit instructions issued by the National Audit Office.

This work was completed and reported to the National Audit Office on the 21 June 2022. No issues were identified from this work.

Preparation of the accounts

For the first time in several years, the key members of your finance team were the same as the prior year. This stability, alongside a clear action plan to improve the close-down process meant that the quality and timeliness of the draft financial statements and underlying working papers were much improved. Although considerable improvements have been made, it is progress from a very low base. Issues remain in terms of the quality of evidence stored on the accounting system to support transactions which has led to us having to raise a lot of queries on initial evidence received for sampled transactions. More work needs to be done in 2022/23 to further improve the close-down arrangements and we raised a recommendation on this in our Audit Findings Report action plan.

Issues arising from the accounts:

As part of our audit we identified several misstatements which management did not update the final accounts for. The misstatements were both individually and in aggregate not material. In addition to these misstatements, there were a large number of presentation and disclosure changes which management did update the accounts for.

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 directors of the Trust are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is 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 – An explanatory note on recommendations

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

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the Trust under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	N/A
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Trust. We have defined these recommendations as ‘key recommendations’.	No	N/A
Improvement	These recommendations, if implemented should improve the arrangements in place at the Trust, but are not a result of identifying significant weaknesses in the Trust’s arrangements.	Yes	12-13,19-20, 31

Appendix C - Investments of £14.5m

Category	Portfolio	Division	Illustration themes	Description	22/23 Investments
1	UEC	Corporate	CMDU	CMDU	429
1	Planned Care	Specialist Services	Other	Cancer Psychology: Reducing waiting lists and meeting higher demand	79
1	Diagnostics	Specialist Services	Radiology	Radiology Transitional Budget	1,007
1	Diagnostics	Specialist Services	Radiology	Mobile Scanner SMH (Non Pay + Staffing)	630
1	Diagnostics	Specialist Services	Radiology	Recruitment of Breast Radiologists	100
1	UEC	Surgery & Critical Care	Critical Care	ICU Business Case (incl. middle grades)medical model in plan. ITU nursing part of trus	1,300
1	Planned Care	Surgery & Critical Care	Outpatients	Urology Nursing	114
1	Planned Care	Surgery & Critical Care	Theatres	Additional non pay costs for extra cases	1,506
1	Planned Care	Surgery & Critical Care	Theatres	Ophthalmology - Modular theatre non-pay	313
1	Planned Care	Surgery & Critical Care	Theatres	Funding all lists incl Amersham - Theatre Staffing	1,006
1	Planned Care	Surgery & Critical Care	Theatres	2 x F2 SHO OOH cover	161
1	Planned Care	Surgery & Critical Care	Theatres	Pilot 2 additional consultants, 1 part year, 1 full year, to reduce elective backlog	160
1	Planned Care	Surgery & Critical Care	Theatres	1 x SAS Doctors	97
1	Planned Care	Surgery & Critical Care	Theatres	1 x CT + 2 x REG	288
1	Planned Care	Surgery & Critical Care	Theatres	1 x CT + 2 x REG	288
1	Planned Care	Surgery & Critical Care	Theatres	2 x Specialty Docs	187
1	Planned Care	Surgery & Critical Care	Theatres	Urology Trust Registrars	180
1	Planned Care	Surgery & Critical Care	Theatres	ENT Consultant x2 (1 included in budget)	135
1	Planned Care	Surgery & Critical Care	Theatres	Plastics ANPs to support increased MOPs	107
1	Planned Care	Surgery & Critical Care	Theatres	Audiology AQP	87
1	Planned Care	Surgery & Critical Care	Theatres	Pre-operative Assessment	127
2	UEC	Surgery & Critical Care	Front door	Uplift for plastic trauma service	53
2	Women's, Children's and Sexual Health	Women & Children	Childrens Services	Paed Locum reduction - employ middle grade cover	87
2	Women's, Children's and Sexual Health	Women & Children	Childrens Services	Reduction in Paed Consultant Locum expenditure	57
2	Women's, Children's and Sexual Health	Women & Children	Childrens Services	Paed Consultant (net cost)	60
2	Women's, Children's and Sexual Health	Women & Children	NICU	NICU acuity cost pressure (16) (off-set by funding)	347
3	People	Corporate	E-Rostering	Trust-wide Clinical e-Rostering - continued implementation	660
3	People	Corporate	Overseas Recruitment	Overseas recruitment (£1.2m expenditure offset by £300k income)	900
3	UEC	IECC	Front door	Discharge coordinators	265
3	Planned Care	Specialist Services	Process Improvement	Cancer Performance / Admin Team	350
3	UEC	Surgery & Critical Care	Front door	Middle grade Dr for Eye Casualty	91
3	Women's, Children's and Sexual Health	Women & Children	Childrens Services	New paediatric model (part year, in addition to in year investment)	58
3	Women's, Children's and Sexual Health	Women & Children	Midwifery	Birthrate plus adjustment	588
3	Women's, Children's and Sexual Health	Women & Children	O&G Medical	O&G Medical Staff	435
4	Women's, Children's and Sexual Health	IECC	Childrens Services	CYP Therapies SALT service	51
4	Women's, Children's and Sexual Health	IECC	Childrens Services	Paediatric and neonates Dietetic service	16
4	Community Services	IECC	Out of hospital care	Podiatry Home Visiting Service	131
4	Community Services	IECC	Out of hospital care	Complex Community Equipment service	117
4	UEC	Integrated Medicine	Front door	Recruitment of 1 additional respiratory consultant	70
4	NSIC Transformation	Specialist Services	NSIC Transformation	NSIC Transformation	352
4	Diagnostics	Specialist Services	Pathology	POCT Urine Analysers (non-pay)	140
4	Diagnostics	Specialist Services	Pathology	Recruitment of 2 x Quality Managers Pathology UKAS/QMS	89
4	NSIC Transformation	Specialist Services	Pharmacy	Palliative and NSIC care pharmacists	110
4	NSIC Transformation	Surgery & Critical Care	Urology/Spinal Consultant	Urology/Spinal joint Consultant post	65
4	People	Trust Wide	Ward Nursing	Ward Establishment/Acuity Review	1,000
4	Women's, Children's and Sexual Health	Women & Children	Childrens Services	BCG Business Case	125
Total					14,517

Appendix D – Sources of evidence



Staff involved

Name	Job Title
Andrew McLaren	Medical Director
Arati Das	Interim Associate Director of Finance
Amir Khaki	Deputy Director Organisational Development, Education and Inclusion
Aneel Patni	Deputy Chief Finance Officer
Barry Jenkins	Chief Finance Officer
Debbie Hawkins	Head of QI and Transformation
Inderjit Bhambra	Assistant Director of Human Resources
Joanna James	Trust Board Business Manager
Jim Forsyth	Head of Procurement
Karon Hart	Deputy Director of Human Resources, Workforce and Wellbeing
Neil Macdonald	Chief Executive Officer
Nicola Gilham	Chair of FBPC



Documents Reviewed

Examples of Key Documents Reviewed		
Financial Statements, Annual Report and Annual Governance Statement	Stakeholder engagement workshop briefings	BHT Strategies – Risk, Procurement, Financial, Commercial, Quality, Digital, Estates
BHT Strategy 2025	Contracts Listing	Integrated Performance Reports
Board Assurance Framework	Place & System Briefings	Understanding the deficit report
Risk Registers	Procurement Manual	Financial Planning Return
Trust Board Papers & Minutes	Trust Board CEO Reports	5 year Capital Plan
Committee Papers & Minutes	CQC Findings	Cost Improvement Plan documents
Internal Audit Opinion & Reports	Operating Plans & Framework 2022-23	Quality Governance Review & Action Plan
Staff policies & procedures	Deep dive and service reports e.g. Ockenden	Annual Staff Survey
Gifts & Hospitality/Declarations registers	Community benchmarking analysis	Transformation & Efficiency updates

Appendix E - Key acronyms and abbreviations

The following acronyms and abbreviations have been used within this report

Key Acronyms A-Z		Key Acronyms A-Z		Key Acronyms A-Z	
A&E	Accident & Emergency Service	EMC	Executive Management Committee	LTFM	Long Term Financial Model
AC	Audit Committee	ERF	Elective Recovery Funding	NAO	National Audit Office
ACW	Acute Collaboration Workstream	FBP	Finance Business Partner(ing)	NHSEI	National Health Service England/Improvement
BAF	Board Assurance Framework	FBPC	Finance & Business Performance Committee	PFI	Private Finance Initiative
BHT	Buckinghamshire Healthcare Trust	GIRFT	Getting It Right First Time	PMO	Project Management Office
BME	Black and Minority Ethnic	GP	General Practitioner	QCG	Quality & Clinical Governance
BOB	Buckinghamshire, Oxfordshire & Berkshire West Integrated Care System	IA	Internal Audit	QI	Quality Improvement
CEO	Chief Executive Officer	ICB	Integrated Care Board	RTT	Referral to Treatment
CIP	Cost Improvement Programme	ICP	Integrated Care Partnership	SOF	Single Oversight Framework
CQC	Care Quality Commission	ICS	Integrated Care System	TIF	Targeted Investment Fund
CRR	Corporate Risk Register	KPI	Key Performance Indicator	UEC	Urgent & Emergency Care
DSP	Data Security and Protection	LCFS	Local Counter Fraud Service	UTC	Urgent Treatment Centre

