



Guy's and St Thomas' NHS Foundation Trust

Auditor's Annual Report
Year ending 31 March 2025

June 2025



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

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01 Introduction and context

Introduction

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

Opinion on the financial statements

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

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

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

Auditor's powers

Auditors of a Foundation Trust have a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the relevant NHS regulatory body.

Auditors of Foundation Trusts also have the duty to consider whether to issue a report in the public interest (PIR), where it is appropriate to do so.

Value for money

Under Schedule 10 paragraph 1(d) of the National Health Service Act 2006, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

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

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

The NHS – context

The NHS has remained under significant pressure in 2024/25

National



Past

Long-Term Underinvestment

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



Workforce Challenges and Costs

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

Present



Public Health System Complexity

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



Seasonal Pressures

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

Future



Structural uncertainty

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



Digital Transformation and Productivity

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

Local

Guy’s and St Thomas’ NHS Foundation Trust (the Trust) operates out of 5 hospitals, and in the community, and is one of the UK’s largest centres for emergency and critical care. It provides an extensive range of surgical and medical specialties and is the largest provider of cancer care in London. With over 20,000 staff and over £3bn in turnover it is one the largest Trust’s in the country. Operational performance in 2024/25 has been impacted by a cyber-attack on the Trust pathology partner in June 2024 and industrial action by a number of professional groups. The Trust emergency department performance and ambulance handover times are good in comparison to peers and progress has been made in reducing planned care waiting lists. The Trust remains in NHS England’s Tier 1 programme for cancer and diagnostic performance.

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

02 Executive Summary

Executive summary – our assessment of value for money arrangements

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

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	A No significant weakness in arrangements, but two improvement recommendations relating to CIP delivery and medium-term financial planning.	One risk of significant weakness identified in relation to financial performance given system financial pressures.	A No significant weaknesses in arrangements identified, but we make two improvement recommendations relating to development of the Trust medium term financial strategy and the pace of development of savings schemes in 2025/26.
Governance	G No significant weaknesses identified or improvement recommendations raised.	No risks of significant weakness identified	G Our work did not identify any areas where we considered that key or improvement recommendations were required.
Improving economy, efficiency and effectiveness	A No significant weakness in arrangements, but two improvement recommendations relating to EPIC benefits and cancer and diagnostic performance.	One risk of significant weakness relating to the impact of the cyber attack on pathology services in June 2024.	A No significant weaknesses in arrangements identified, but the Trust remains in NHS England’s Tier 1 programme for cancer and diagnostic performance and we have retained our related improvement recommendation from the previous year. We have also raised a recommendation relating to outstanding internal audit actions.

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

Executive summary

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



Financial sustainability

The Trust delivered an adjusted £12.7m surplus in 2024/25 and has set a breakeven plan for 2025/26. Adjustments for significant non-recurrent income and one-off costs, including the impact of the cyber attack on the Trust pathology provider, mean the underlying deficit coming out of 2024/25 is c. £64.5m.

In recent months, the Trust has been developing a 'Better, Faster, Fairer' productivity programme to identify medium-term transformation opportunities and to look at what could be accelerated to support CIP delivery in 2025/26.

We make two improvement recommendations relating to development of the Trust medium term financial strategy and the pace of development of savings schemes in 2025/26.



Governance

The Trust has sound governance arrangements in place. These includes a Board Assurance Framework that has recently been updated, which is underpinned by a risk management framework, and work of internal audit and counter fraud.

The Trust's annual budget setting process follows a detailed approach, aligning with NHS England planning deadlines and involving engagement with clinical groups, corporate areas and with South-East London system partners. The Trust has arrangements in place that ensure effective budgetary control and timely management of information.

We include further detail on the following pages.



Improving economy, efficiency and effectiveness

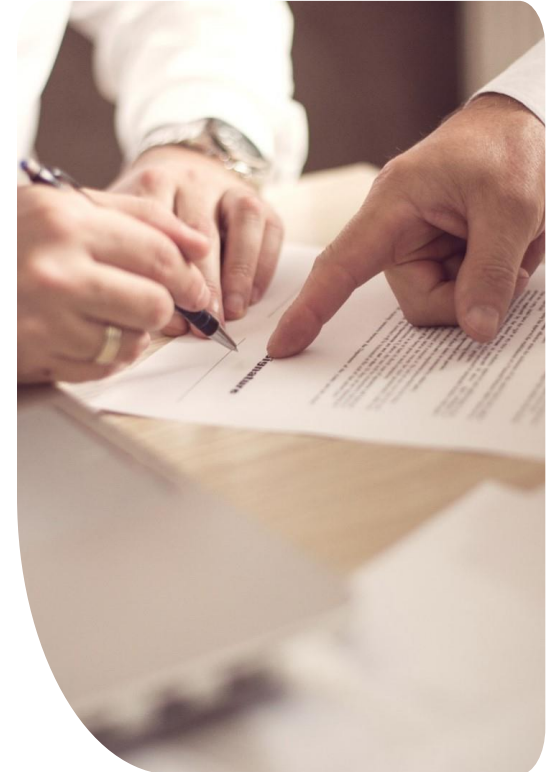
The Trust has systems in place to assess financial and operational performance through executive performance review meetings (PRMs) and with Board oversight through its committees.

The Trust remains in the NHS England's Tier 1 programme for cancer and diagnostic performance, with evidence of some improvement in performance in these areas in 2024/25. In June 2024 the Trust Pathology partner was impacted by a cyber-attack which had a significant impact on the Trust in summer 2024, but with activity and performance recovering before the end of 2024/25. We have retained our recommendation from last year regarding oversight of cancer and diagnostic performance and have raised a recommendation relating to outstanding internal audit actions.

Executive summary – auditor’s other responsibilities

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

Auditor’s responsibility	2024/25 outcome
<p>Opinion on the Financial Statements</p>	<p>Our financial statements audit is ongoing and presently we expect to issue an unqualified audit opinion in line with the NHSE deadlines, following the Audit and Risk Committee meeting on 18 June 2025.</p>
<p>Use of auditor’s powers</p>	<p>We did not make a referral under Schedule 10 paragraph 6 of the National Health Service Act 2006. We do not consider that any unlawful expenditure has been made or planned for.</p> <p>No other issues have been identified during our work which require us to issue a Public Interest Report (PIR).</p>



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

Opinion on the financial statements

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

Audit opinion on the financial statements

Our financial statements audit is ongoing and presently we expect to issue an unqualified audit opinion in line with the NHSE deadlines, following the Audit and Risk Committee meeting on 18 June 2025.

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

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

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

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

Findings from the audit of the financial statements

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

Draft financial statements were of an appropriate standard and supported by detailed working papers.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A substantially complete version of our report was presented to the Trust's Audit and risk Committee on 18 June 2025. Requests for this Audit Findings Report should be directed to the Trust.

Other reporting requirements and use of auditor's powers

The Remuneration Report and the Staff Report

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

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

Annual Governance Statement

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

We have nothing to report in this regard.



04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

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

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

Under the National Health Service Act 2006, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



Financial sustainability

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



Governance

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



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Trust delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>The Trust set a breakeven plan for 2024/25 in June 2024, which was revised to a £13.2m surplus plan in year to support the overall system position and following discussions with SEL ICB and NHSE London Region. The Trust delivered a £12.7m surplus in 2024/25, with £72.1m savings achieved and c.£39m non-recurrent income received. Adjustments for non-recurrent income and costs, including the cost of the cyber attack on the Trust pathology provider (see page 24), mean the 2024/25 underlying deficit is c. £64.5m (2% of operating income). This is within the context of a SEL system underlying deficit of over £300m.</p> <p>For 2025/26 the Trust has submitted a breakeven plan, which includes a £102.1m (c.3.5% of operating costs) savings target. In recent months, the Trust has been developing a ‘Better, Faster, Fairer’ productivity programme to identify medium-term transformation opportunities and to look at what could be accelerated to support 2025/26 CIP delivery.</p> <p>The Trust has updated its long-term financial model (LTFM) in 2024/25 and this includes assumptions on the level of efficiencies and the cash support required in order to achieve the financial objectives agreed by the Finance, Commercial and Investment Committee (FCIC). The LTFM should to be updated to reflect the 2024/25 outturn, 2025/26 plan and the output from the Trust productivity programme and we have raised an improvement recommendation in respect of this (refer to page 17).</p>	<p>A</p>
<p>plans to bridge its funding gaps and identify achievable savings</p>	<p>Achieving recurrent savings remains a key challenge to financial sustainability, with the Trust delivering £72.1m savings in 2024/25 against a £93.8m CIP target. The 2025/26 CIP target is challenging and we raise an improvement recommendation on page 17.</p>	<p>A</p>

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

Financial sustainability – commentary on arrangements (continued)

We considered how the Trust:	Commentary on arrangements	Rating
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The 2025/26 financial plan and the medium-term financial plan reflect the updated Trust ‘Better, faster, fairer healthcare for all’ strategy. The Trust continues to use information on the cost of delivering its services to inform its CIP and productivity programme and identify initiatives to improve financial sustainability.	G
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	The Trust has appropriate arrangements in place to ensure that its financial plan is consistent with other plans and is joined up with the wider SEL system financial plan. Reports on the 2025/26 business plan to the FCIC and Board provide assurance on how finance, activity, workforce, performance and productivity plans are aligned. The Trust maintains a medium-term capital plan covering a rolling five-year period, and this has recently been updated to cover the period 2025/26 to 2029/30.	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	The Trust has appropriate arrangements in place to manage risks to financial resilience. The Trust regularly informs the FCIC and Board about the revenue and capital position, including risks to delivery of plans and mitigations. The Board Assurance Framework includes financial sustainability and capital funding restrictions as risks, with reporting to the FCIC. Reports on the 2025/26 planning process set out key risks and opportunities.	G

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

Financial sustainability (continued)

Area for Improvement identified: financial strategy development

Findings: The Trust medium term financial plan should be updated to reflect the outputs from the productivity programme.

Evidence: In recent months, the Trust has been developing its ‘Better, Faster, Fairer’ productivity programme to identify medium-term transformation opportunities and to support CIP delivery in 2025/26. This supports the Trust strategy to 2030 which was updated in 2024. The programme includes five core workstreams – patient flow/beds, surgical productivity, ambulatory, admin and private patients, with enabling workstreams including estates, workforce and using EPIC as effectively as possible and ensuring the availability and accuracy of data. Productivity and benchmarking data is used to inform the programme.

The Trust has updated its long-term financial model in 2024/25 and this includes assumptions required in order to achieve its financial objectives. This should be further updated in 2025/26 to reflect the 2024/25 outturn, 2025/26 plan and the output from the Trust medium-term productivity programme.

Impact: The Trust is not able to deliver on its strategic objectives.

Improvement Recommendation 1

IR1: The Trust should update its financial strategy and medium-term financial plan in 2025/26 to show the financial impact of the initiatives arising from the productivity programme, with different scenarios modelled to show options to financial sustainability in the medium term.

Area for Improvement identified: savings development

Findings: Delivery of £102.1m savings is a key risk area in the 2025/26 plan.

Evidence: The Trust’s 2025/26 savings target is £102.1m, which is a step increase in the £72.1m savings delivered in 2024/25 and is recognised as a risk by the Trust. The 2025/26 CIP target includes £82m allocated to clinical groups and corporate areas, with £20m allocated to central savings. The Trust has recently re-established the Financial Improvement Board (FIB) to set the direction and drive the delivery of the Trust’s Cost Improvement Programme (CIP), as well as ensuring accountability for delivery.

At the beginning of May 2025, the Trust has identified £72.6m of savings, with £29.2m unidentified. Of the identified savings, £39m are in progress or developed and £33.8m are at the opportunity stage. We understand further progress has been made since then but given the increased scale and unidentified gap at the stage we have raised an improvement recommendation.

Impact: A lack of adequate saving plans and/or inability to deliver recurrent savings puts the Trust’s financial plan at risk.

Improvement Recommendation 2

IR2: The Trust needs to add more pace and urgency to the process for identifying and working up recurrent cost savings (by end of Q1 at the latest) to reduce the risk of slippage and under delivery in 2025/26.

Governance – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
<p>monitors and assesses risk and how the Trust gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The Trust maintains internal controls through various mechanisms including the regular review of the Board Assurance Framework (BAF), the work of internal audit, and the application of policies and procedures. The Trust risk management policy has been reviewed and updated in year, with this new policy reviewed and approved by the Audit and Risk Committee. Internal audit undertook an annual review of the Trust’s risk management and board assurance frameworks in 2024/25 and reported substantial assurance. The Trust BAF was updated in 2024/25 to:</p> <ul style="list-style-type: none"> • Review and reduce the number of risks on the BAF • Update the BAF to reflect the new Trust strategy <p>The BAF risks have been subject to review with the number of risks reducing from 14 in 2024/25 to 10 risks on the latest BAF. Several of the old risks have been retained or replaced. Each of the risks is assigned to an executive owner, an executive committee and a board committee owner. The changes introduced are sensible and should make it easier for the Board to assess the effectiveness of risk management against the strategic risks. We have not proposed an improvement recommendation but given the refresh of the BAF it will be important for the Trust to review the effectiveness of the new arrangements in 2025/26.</p>	<p>G</p>
<p>approaches and carries out its annual budget setting process</p>	<p>The Trust’s annual budget setting process follows a robust approach, aligning with NHSE planning deadlines and involving engagement with clinical groups, corporate areas and with SEL system partners. Regular updates on the planning process are provided to the FCIC and Trust Board, ensuring effective financial decision-making.</p>	<p>G</p>

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

Governance – commentary on arrangements (continued)

We considered how the Trust:	Commentary on arrangements	Rating
<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>The Trust ensures effective budgetary control and timely management information through executive performance review meetings (PRMs) which hold clinical and delivery groups and corporate services to account and seek assurance on the management of financial risk within their directorates and functions. The FCIC and Board receive reports on financial performance which includes high-level summaries and detailed financial data and there is evidence of corrective action when needed. The Trust has a financial oversight framework in place, which forms part of the wider accountability framework and is built around domains including improving financial discipline, controlling costs and CIP delivery and improving income.</p>	<p>G</p>
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>The Trust has arrangements in place to ensure it should make well-informed decisions supported by detailed documentation, which facilitates constructive challenge and debate. Detailed board papers and the contribution of senior officers, as well as the effective functioning of the Audit and Risk Committee, all contribute to the governance and decision-making within the Trust. Reports are taken to the Trust Quality and Performance Committee providing updates on outcomes from external reviews and delivery status of action plans to address any recommendations. The Board appears to make informed decisions through detailed papers facilitating challenge and debate.</p> <p>There has been some turnover in Board personnel, but the Trust Board has a good level of skills and experience. The current chief executive announced in January 2025 plans to step down later in 2025, and a successor CEO has been recruited. The new CEO is not new to the Trust, having been previously CEO from October 2015 to August 2019. It is positive that there will be an appropriate handover period before the current CEO leaves the Trust.</p>	<p>G</p>

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

Governance – commentary on arrangements (continued)

We considered how the Trust:	Commentary on arrangements	Rating
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>The Trust ensures appropriate standards by maintaining an effective overall governance framework, up-to-date codes of conduct, and regular reporting on compliance with statutory and regulatory responsibilities. It monitors gifts, hospitality, and conflicts of interest, and ensures compliance with regulatory requirements.</p>	<p>G</p>

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

Economy, efficiency and effectiveness – commentary on arrangements

We considered how the Trust:	Commentary on arrangements	Rating
<p>uses financial and performance information to assess performance to identify areas for improvement</p>	<p>The Trust has systems in place to assess financial and operational performance through executive performance review meetings (PRMs) and primarily with Board oversight at the FCIC and Quality and Performance Committee.</p> <p>The Trust remains in NHS England’s Tier 1 programme for cancer and diagnostic performance and we have retained our related improvement recommendation from the previous year - see comments on this on page 25. The Trust was placed into NHS England’s Tier 1 programme for planned (elective) waits in July 2024 due to its relative position in London for the speed with which we were able to treat patients waiting the longest for treatment. Treatment time had deteriorated following the cyber-attack on Synnovis, and as a result of industrial action, although the Trust was able to improve performance in the second half of the year and were taken out of the tiering programme for elective waits in January 2025.</p> <p>In June 2024 the Trust Pathology partner, Synnovis, was impacted by a ransomware cyber-attack which led to the full loss of their IT systems that supported pathology services at the Trust. This had a significant impact on the Trust activity, and we provide further comments on page 24.</p> <p>In our 2023/24 auditor’s annual report we made an improvement recommendation related to ongoing oversight of the stabilisation and benefits realisation from the new EPIC system and comment on this on page 24.</p>	<p>A</p>

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

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

We considered how the Trust:	Commentary on arrangements	Rating
evaluates the services it provides to assess performance and identify areas for improvement	In October 2024 NHS England moved the Trust from segment 2 to segment 3 of the NHS Oversight Framework as a result of its operational performance against waiting times for elective care, diagnostics and cancer treatment. The Trust reviews and challenges performance through executive performance review meetings (PRMs) with clinical and delivery groups and corporate services with Board oversight at the FCIC and Quality and Performance Committee. The CQC last carried out an inspection of the Trust in September 2022 on the maternity services at St Thomas’ Hospital. The service was rated ‘good’ overall. The Trust has not had a full well-led inspection and Trust-wide services inspection since 2019, which resulted in a ‘good’ overall rating with ‘outstanding’ for well-led.	G
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	The Trust appears to play an active role in significant partnerships and with regards to stakeholder engagement. The development of the new Trust strategy in 2024 included extensive engagement with staff, patients and other NHS partners including across the South East London Integrated Care System (ICS) and the Acute Provider Collaborative (APC).	G
commissions or procures services, assessing whether it is realising the expected benefits	The Trust’s has an established Transformation and Major Projects Committee (TMPC), which monitors projects and key contracts to realise expected benefits, including in respect of the stabilisation and benefits realisation arising from the EPIC electronic patient record implementation in October 2023. Regular reporting to the TMPC and the use of an online contract management system further support this process. We note a nil assurance review by internal audit in 2024/25 raised concerns regarding maintenance expenditure and a number of recommendations were agreed. We have raised an improvement recommendation in respect of this on page 24.	A

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

Improving economy, efficiency and effectiveness

Commentary on the continued stabilisation and benefits realisation from the implementation of the new health record system (EPIC)



EPIC Benefits Realisation

In October 2023 the Trust went live with a new health record system (EPIC) in collaboration with Kings College Hospital NHS FT. The implementation marked the biggest ever single EPIC go-live in the world. In our 2023/24 annual audit report we noted some data quality challenges following the implementation of the new system. This has improved in 2024/25 but there remains some ongoing data quality challenges with activity data and information reported to support contract income discussions with SEL ICB. An ICB and Trust Joint Activity Recording panel has been established to support a process of improvement.

The ongoing delivery of the EPIC programme has made good progress across different workstreams, with actions covering the consistent adoption and utilisation of EPIC, redesigned pathways, workforce planning and training. The stabilisation actions are substantially complete, with the Joint Stabilisation Board in September 2024 agreeing to close the formal stabilisation phase of the programme.

The Trust has created a Benefit Delivery Group with monthly reporting into the Trust Executive Committee and quarterly reporting to the Transformation and Major Programmes Board Committee. The purpose of the group is to closely track the performance of benefit delivery against plan, to raise risks and issues and oversee the progress of benefit working groups.

The Trust recognises further work is required to maximise the benefits from the EPIC system, with this a key enabler of the Better, Faster, Fairer' productivity programme. Given the progress made we consider our recommendation from 2023/24 closed.

In our 2025/26 work we will consider how benefits are being captured, assessed and reported on by the Trust.

Improving economy, efficiency and effectiveness (continued)

Synnovis Cyber Attack

In June 2024 the Trust Pathology partner, Synnovis, was impacted by a ransomware cyber-attack which led to the full loss of their IT systems that supported pathology services at the Trust. A formal critical incident was declared on the same day and the Trust moved into Command and Control to support the limited pathology services available through manual processes. The key focus of activities initially was the restoration of services to support patients.

The incident necessitated the diversion of some high-risk patient cohorts alongside a reduction in activity primarily in June 2024. The stabilisation period for the incident resulted in increased activity through July to September. The critical incident was formally stepped down at the end of September and an After Action Review Process was undertaken to capture learning and identify actions for improvement from the incident.

There have been regular updates on the incident and associated risks to the Board and Committees, with the operational and financial impact of the incident included in the Trust performance and finance reports. A cyber risk is documented and managed at BAF level. The Trust has established a risk management framework to identify, assess and manage cyber risks, and has a vendor cyber risk management process to provide visibility of the security posture of key suppliers and associated supply chain.

Area for Improvement: internal audit actions

Findings: The internal audit of expenditure on planned preventative and reactive maintenance completed in 2024/25 and resulted in a nil assurance opinion.

Evidence: The internal audit raised issues with the operation of controls in place in respect of the contracting and procurement of planned preventative and reactive maintenance service, with the testing covering expenditure incurred in 2023/24. The audit found issues that had not been addressed, even though these issues had been raised in previous reviews. The audit raised 2 high priority and 5 medium priority recommendations, with the findings reported to the February 2025 Audit and Risk Committee. It has been agreed that an update on the implementation of the recommendations will be reported to the A&RC within 6 months.

We also note that as reported to the May 2025 Audit and Risk Committee 16 internal audit recommendations are overdue by more than 6 months and it is important that Management complete these.

Impact: Enables the Trust to strengthen its control systems.

Improvement Recommendation 3

IR3: Management need to ensure actions arising from the work of internal audit are implemented in line with the agreed timeline. There should be more focused attention on implementing internal audits actions, ensuring all overdue actions are implemented as soon as possible.

Improving economy, efficiency and effectiveness (continued)

Area for Improvement: cancer and diagnostic performance

Findings: The Trust remains in NHS England's Tier 1 for cancer and diagnostic performance.

Evidence: In 2023/24 the Trust, along with a number of others, was placed in 'Tier 1' of national oversight framework for cancer performance and diagnostics and in our 2023/24 annual audit report we made an improvement recommendation related to maintaining focus on achieving sustained improvement against cancer and diagnostic metrics.

In October 2024 NHS England moved the Trust from segment 2 to segment 3 of the NHS Oversight Framework as a result of its operational performance regarding waiting times for elective care, diagnostics and cancer treatment. The Trust has since moved out of Tier 1 of national for elective waits in January 2025. The Trust remains in Tier 1 for Cancer and Diagnostics and await an update on segmentation in Quarter 1 2025/26 following the new NHS Performance Assessment Framework rollout expected in 2025/26. Regular updates are provided on performance linked to the transition criteria to the Board, Quality and Performance Committee, and Trust Executive Board.

The Trust performance against the Faster Diagnostics Standard for cancer patients has remained strong and over 80% of patients receive a diagnosis within 28 days. However, the Trust continues to struggle to deliver the national standard that 85% of patients should receive their first cancer treatment within 62 days, although performance has improved over the year. The Trust submitted a compliant Operational Plan for 2025/26 excluding the Cancer 62-day metric, with the Trust targeting performance of 70% against the 85% constitutional standard. The Trust remains in tiering for its diagnostics performance but is making progress in reducing the number of patients waiting over 6 weeks for diagnostics tests and procedures.

Impact: Enables the Trust to comply with constitutional standards.

Improvement Recommendation 4

IR4: Our recommendation from 2023/24 remains in progress and so this is retained:

- The Trust should continue to ensure it maintains focus on achieving sustained improvements against its cancer and diagnostics metrics, with ongoing senior management oversight. Effectiveness of arrangements in place should be considered on an ongoing basis, and if these are not deemed to be improving performance, they should be revisited in 2025/26.

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

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR1	The Trust should update its financial strategy and medium-term financial plan in 2025/26 to show the financial impact of the initiatives arising from the productivity programme, with different scenarios modelled to show options to financial sustainability in the medium term.	Financial sustainability (pages 15 – 17)	<p>Actions: Plan in place to bring a refreshed MTFP to the Trust Board in September 2025</p> <p>Responsible Officer: Strategic Finance Lead</p> <p>Executive Lead: Chief Financial Officer</p> <p>Due Date: September 2025</p>
IR2	The Trust needs to add more pace and urgency to its process for identifying and working up recurrent cost savings (by end of Q1 at the latest) to reduce the risk of slippage and under delivery in 2025/26.	Financial sustainability (pages 15 – 17)	<p>Actions: The Trust is developing additional controls to mitigate slippage and launched a Mutually Agreed Resignation Schemes (MARS) scheme on 9th June.</p> <p>Responsible Officer: Associate Director of Finance – Productivity</p> <p>Executive Lead: Chief Financial Officer</p> <p>Due Date: June 2025</p>
IR3	Management need to ensure actions arising from the work of internal audit are implemented in line with the agreed timeline. There should be more focused attention on implementing internal audits actions, ensuring all overdue actions are implemented as soon as possible.	Improvement economy, efficiency and effectiveness (pages 21 – 24)	<p>Actions: Increased focus on ensuring appropriate follow up and implementation of actions.</p> <p>Responsible Officer: Associate Director of Finance – Internal Audit</p> <p>Executive Lead: Chief Financial Officer</p> <p>Due Date: September 2025</p>

Improvement recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p>IR4 The Trust should continue to ensure it maintains focus on achieving sustained improvements against its cancer and diagnostics metrics, with ongoing senior management oversight. Effectiveness of arrangements in place should be considered on an ongoing basis, and if these are not deemed to be improving performance, they should be revisited in 2025/26.</p>	<p>Improvement economy, efficiency and effectiveness (pages 21 – 24)</p>	<p>Actions: Remains a key focus of Trust Operations Board. Responsible Officer: Deputy Chief Operating Officer / Director of Performance and Planning Executive Lead: Chief Operating Officer Due Date: September 2025</p>

06 Appendices

Appendix A: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	Given the need for recurrent financial improvements and efficiencies over the medium term, it is recommended that the Trust actively engages with system partners and clinical and corporate groups to develop a multi-year Cost Improvement Program. The medium terms financial plan should also be updated for the latest financial assumptions.	2023/24	The Trust has updated its long-term financial model in 2024/25 and this includes assumptions required in order to achieve its financial objectives. This should be further updated in 2025/26 to reflect the 2024/25 outturn, 2025/26 plan and the output from the Trust medium-term productivity programme.	In progress – recommendation retained	The recommendation has been superseded by our improvement recommendation 1 in 2024/25
IR2	The Trust should continue to monitor the progress of financial efficiency targets closely, particularly with the aim of achieving identification of 100% of schemes against the £94m CIP target by the end of June 2024.	2023/24	The Trust's 2025/26 savings target is £102.1m, which is a step increase in the £72.1m savings delivered in 2024/25 and is recognised as a financial risk by the Trust. We have retained the recommendation.	In progress – recommendation retained	The recommendation has been superseded by our improvement recommendation 2 in 2024/25

Appendix A: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR3	The Trust should continue enhanced oversight of the stabilisation and benefits realisation issues arising from the Epic implementation - this should include appropriate Executive and senior management oversight. Effectiveness of arrangements in place should be considered on an ongoing basis, and if these are not deemed to be improving performance, they should be revisited in 2024/25.	2023/24	The delivery of the EPIC programme has made good progress across different workstreams. The stabilisation actions are substantially complete, with the Joint Stabilisation Board in September 2024 agreeing to close the formal stabilisation phase of the programme. The Trust has created a Benefit Delivery Group with monthly reporting into the Trust Executive Committee and quarterly reporting to the Transformation and Major Programmes Board Committee.	Implemented and closed	N/A
IR4	The Trust should continue to ensure it maintains focus on achieving sustained improvements against its cancer and diagnostics metrics, with ongoing senior management oversight. Effectiveness of arrangements in place should be considered on an ongoing basis, and if these are not deemed to be improving performance, they should be revisited in 2024/25.	2023/24	The Trust remains in NHS England's Tier 1 for cancer and diagnostic performance, and although there has been some improvement in performance in 2024/25 we have kept the recommendation in place.	In progress – recommendation retained	Recommendation retained

Appendix B: Responsibilities of the NHS Foundation Trust

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

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

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

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

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

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



Appendix C: Value for Money Auditor responsibilities

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

Phase 1 – Planning and initial risk assessment

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

Phase 2 – Additional risk-based procedures and evaluation

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

Phase 3 – Reporting our commentary and recommendations

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

 A range of different recommendations can be raised as follows:

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

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

Information that informs our ongoing risk assessment

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



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