Bath and North East Somerset, Swindon and Wiltshire NHS Integrated Care Board

Auditor's Annual Report
Year ending 31 March 2025

19 June 2025

Contents

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.

01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for Bath and North East Somerset, Swindon and Wiltshire Integrated Care Board (the ICB) during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the NHS ICB are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

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

- give a true and fair view of the financial position of the ICB 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, as amended by the Health and Care Act 2022.

We also consider the Annual Governance Statement, the relevant disclosures within the Annual Report including the Remuneration and Staff Report and whether income and expenditure has been incurred 'as intended by Parliament'.

Auditor's powers

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

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

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the ICB 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.

Tackling Health Inequalities
The reduction of health inequalities, which is a key Integrated Care Board (ICB) objective, have been hampered by inconsistent national funding and other competing priorities.

Present

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

Community and preventable care
Pressures on primary care services and local government social care hamper integration which can lead to higher admissions and delayed hospital discharges increasing strain on NHS capacity.

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.

Future Demand and Expectation
Public expectations of what the NHS will treat and cure are expected to continue to rise with growing demand placing further strain already limited services and funding.

Local

The ICB is responsible for overseeing the delivery of health services in these areas of South West England. The ICB serves a diverse population of approximately 940,000 people, encompassing a mix of urban (Swindon, Bath and Salisbury) and rural communities, which whilst relatively less deprived than other parts of England, there are still challenges within some communities.

The ICB continues to collaborate with its local partners to deliver better outcomes. Whilst financial balance has been achieved in 2024/25, the financial position and meeting demand across the system remains a significant challenge across the system. For the ICB the financial challenge will heighten in 2025/26 as ICBs are asked to significantly reduce their costs by 50% and transitional arrangement take effect.

It is within this context that we set out our commentary on the ICB'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 ICB'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	R	Significant weakness in arrangements identified in relation to the deficit position and uncertainty over efficiency programmes and improvement recommendations also raised.	One risk of significant weakness identified in relation to: the deficit position and financial sustainability.	A	No significant weaknesses in arrangements identified, but one improvement recommendation made to support the ICB improving arrangements for savings delivery, on page 18.
Governance	A	No significant weaknesses identified; improvement recommendations raised on budgetary control and quality governance arrangements.	No risks of significant weakness identified.	A	No significant weaknesses in arrangements identified, but one improvement recommendation made to ensure the Board regularly review the Board Assurance Framework, on page 23.
Improving economy, efficiency and effectiveness	A	No significant weaknesses identified; improvement recommendations raised in relation to driving performance improvements.	No risks of significant weakness identified.	G	No significant weaknesses in arrangements identified. We have raised an insight on page 36 relating to strengthening quality assurance arrangements.

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 ICB's arrangements in respect of value for money

Financial sustainability

The ICB successfully delivered a £8.4m surplus against a breakeven plan for 2024/25, an improvement on 2023/24 when the ICB failed to meet its statutory duty.

The system delivered a small surplus of a £0.1m, as two providers within the system have struggled financially due to operational issues, such as high acute patient lengths of stay. As a result, two of the system providers delivered deficit positions. This position was achieved after delivering system wide savings of £130.9m and receiving deficit funding of £30m. The ICB delivered savings of £61m (98% of target).

For 2025/26 the system is working towards a breakeven position and to achieve this needs to deliver £120.1m in savings, with £83.1m (69%) on a recurrent basis. The system will again receive deficit funding of £23.4m.

We have raised an improvement recommendation on page 18, focusing on improving arrangements on savings delivery.

Governance

The ICB had appropriate arrangements in place to monitor and assess risk, and to gain assurance over the effectiveness of internal controls. Its Board Assurance Framework (BAF) has been underdevelopment during 2024/25 and as a result the Board have not been sighted on a completed BAF and have not had the opportunity to fully discuss a BAF in 2024/25. The new style BAF was discussed by the Board on 23 May 2025. We have raised an improvement recommendation on page 22 relating to the BAF.

The ICB had arrangements in place to provide assurance over the providers' quality arrangements and have provided an insight on page 23.

The 2024/25 financial position (ICB and system) was reported and monitored throughout the year. The 2025/26 financial plan was agreed by the Board in March 2025.

The ICB had arrangements in place to make informed decisions and to meet legislative and regulatory requirements.

Executive Summary

Improving economy, efficiency and effectiveness

The ICB had performance reporting arrangements in place for the Board to oversee performance and identify areas of improvement at the ICB and across the system. These arrangements included addressing recommendations raised by external inspections, for example development and monitoring of its Primary Care Access Recovery Plan.

A Recovery Board operated throughout 2024/25 and reported into the Finance and Investment Committee, it was tasked with oversight of underperforming priority areas (including finance and other risk areas) and key recovery actions.

In 2023/24 we recommended that the ICB should strengthen its quality assurance arrangements, further details are included on page 36. We have raised an insight on page 23.

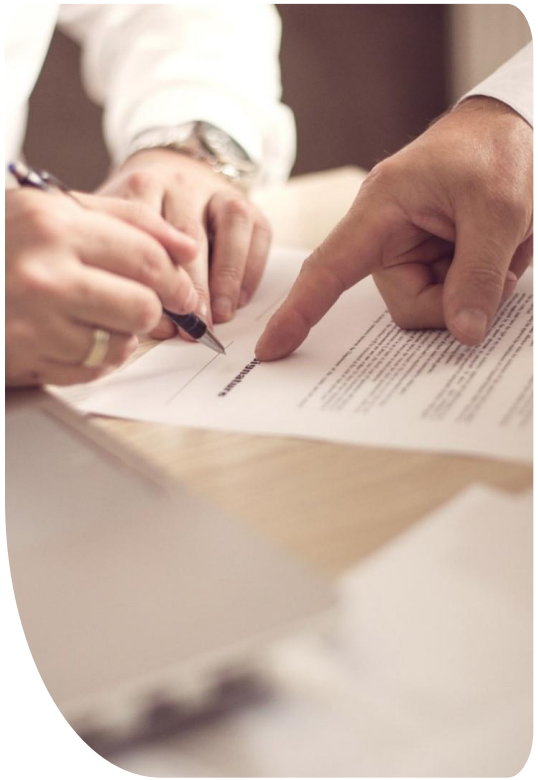
The ICB's Implementation Plan (Joint Forward Plan) demonstrates the ICBs commitment to partnership work. Delivery was monitored by the Delivery Oversight throughout the year.

The ICB had appropriate arrangements to manage procurement and its contracted services. Procurement services were provided through the BSW Procurement Alliance across the system.

Executive summary – auditor's other responsibilities

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

Auditor's responsibility	2024/25 outcome
Opinion on the Financial Statements	The audit work is complete and we issued an unqualified audit opinion on 19 June 2025. Our findings are set out in further detail on pages 11 to 13.
Use of auditor's powers	We did not issue a section 30 referral to the Secretary of State for Health and Social Care regarding the ICB's break even duty. We do not consider that any unlawful expenditure has been made or planned for. No other issues have been identified during our work which require us to make statutory recommendations, or issue a Public Interest Report (PIR).



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

Opinion on the financial statements

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

Audit opinion on the financial statements

We issued an unqualified opinion on the ICB's financial statements on 19 June 2025 following the completion of our audit work. The full opinion is included in the ICB's Annual Report for 2024/25, which can be obtained from the ICB's website.

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

- give a true and fair view of the financial position of the ICB 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, as amended by the Health and Care Act 2022.

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 ICB in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

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

Draft financial statements were of a reasonable standard and supported by detailed working papers.

We have not identified any significant issues that had an impact on the timely completion of the audit to date.

There were no significant findings or adjustments identified to date that would impact on the ICB's final position as part of our audit work.

We anticipate to issue the opinion on the financial statements ahead of the statutory deadline for audited accounts of ICB.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A version of our report was presented to the ICB's Audit Committee on 13 June 2025 with the final report updated and issued on 19 June 2025 to reflect the conclusion of our work. Requests for this Audit Findings Report should be directed to the ICB.

Other reporting requirements and use of auditor's powers

Remuneration and Staff Report

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

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

Annual Governance Statement

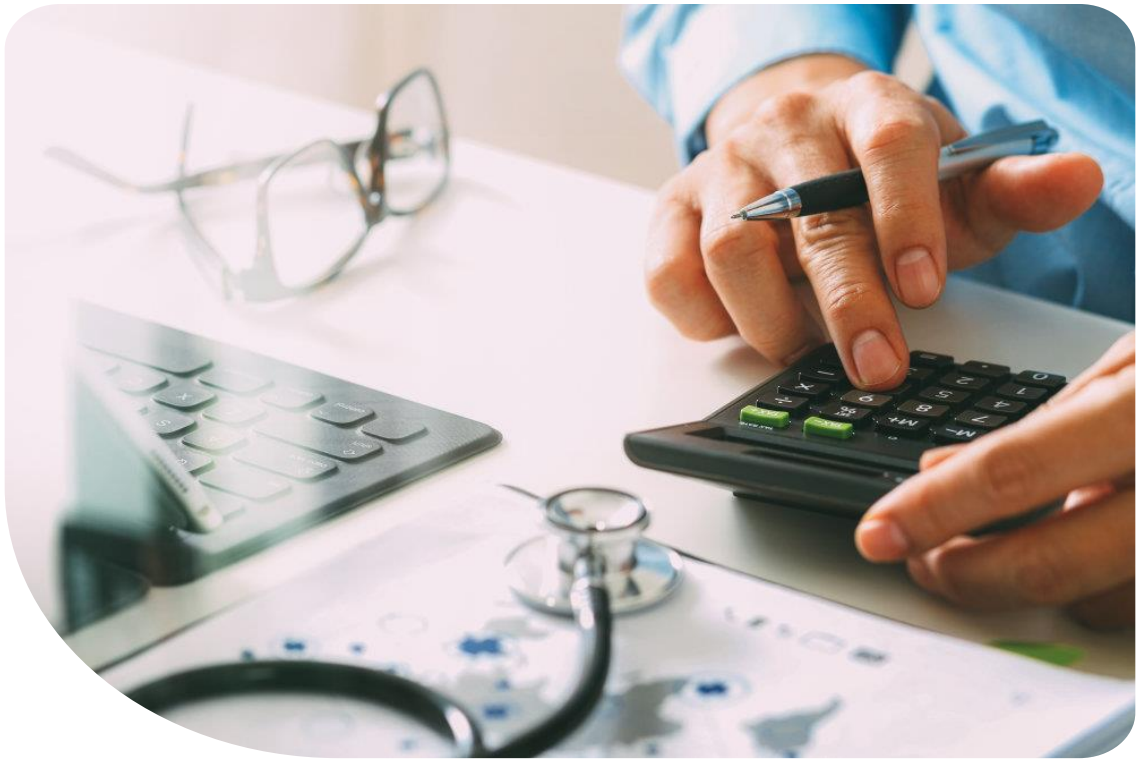
Under the Code of Audit Practice (2024) published by the National Audit Office, we are required to consider whether the Annual Governance Statement included in the ICB's Annual Report for 2024/25 does not comply with the guidance issued by NHS England, or is misleading or inconsistent with the information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

We have nothing to report in this regard.

Regularity of income and expenditure

Under the Code of Audit Practice (2024) published by the NAO, we are required to consider whether in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions in the financial statements conform the authorities which govern them.

Our regularity work to date has found that income and expenditure included in the financial statements has been applied for the purposes intended by Parliament.



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 ICBs 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 ICBs 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 ICB 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 ICB 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 ICB 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 ICB 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 ICB:	Commentary on arrangements	Rating
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The ICB ended the year (2024/25) with an £8.4m surplus, this forms part of a £0.1m surplus for the system against a breakeven plan. The providers within the system delivered a deficit on £8.3m. The 2025/26 plan submission meets the overall requirement to deliver a breakeven financial position, including deficit funding of £23.4m and a systems efficiency savings target of £120.1m. The ICB acknowledge that delivery of the plan will be challenging, and delivery will be reliant on addressing key operational challenges. The requirement to reduce ICB running costs by 50% and the introduction of transition arrangements to reduce costs will also be significant risk to the 2025/26 financial plan. The Medium Term Financial Plan was subject to an annual review, with the latest review taking place in October 2024 and the next due in September 2025. The MTFP included an established financial recovery plan at both organisation and system level – supported by a system recovery board, system oversight framework and organisation improvement boards.	G
plans to bridge its funding gaps and identify achievable savings	The ICB's efficiency target for 2024/25 was £62.3m of which the ICB has delivered £61.1m (98%), ICS providers delivered £69.8m of their £76.9m target (88%). In 2024/25 two system providers delivered in year deficits and the ICB are working with the two providers to address this. The 2025/26 efficiency savings target of £120.1m includes 31% of non-recurrent savings, and at the time of submission 16% of the target was unidentified. The ICB's efficiency target for 2025/26 is £37.1m. A significant weakness was identified in 2023/24 and a key recommendation was raised. We have concluded that there was no longer a significant weakness in arrangements in 2024/25, as a breakeven position was delivered and 98% of the planned savings were delivered, however we have raised an improvement recommendation relating to savings on page 18.	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.

Financial sustainability – commentary on arrangements

We considered how the ICB:	Commentary on arrangements	Rating
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The ICB's 2025/26 financial plan was aligned to national NHS planning priorities for 2025/26 as set out in national planning guidance. The financial plan, includes the ICB's five key priorities for the next two years, which are aligned to its strategic objectives.	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 ICB's annual business planning process included a review of its workforce establishment. A Capital Prioritisation Framework has been created which will enable the system to produce a comprehensive Capital Infrastructure Plan in time for 2026/27, this will help identify capital investment schemes for the system and therefore contribute to the system's sustainability in the medium to long term. In the implementation of the financial plan, the ICB worked with system partners to set out five key priorities for the next two years, which were aligned to their strategic objectives.	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	The Finance and Infrastructure Committee receive financial information monthly; these reports included information on the ICS capital and revenue position. These reports highlighted financial risks and details on how these risks were being mitigated. A Recovery Board also reported monthly to the Committee. After consideration by the Committee, finance reports were presented to the Board at each meeting for review. In developing the 2025/26 financial plan, the ICB performed sensitivity analysis on acute elective activities. The 2025/26 operational plan briefing paper communicated to the Board the assumptions which underly the plan submission to NHSE, these assumptions have been made in partnership across the system.	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: delivery recurrent savings

Findings: The proportion of recurrent savings delivered across the system was below target, whilst the ICB delivered its planned proportion of recurrent savings the providers were below target.

Evidence: In 2024/25 the system aimed to deliver savings of £141.9m and delivered £130.9m (92%), of the amount delivered 46% was recurrent, against a plan for 50% on a recurrent basis. Systems which have a large proportion of savings which are not delivered on a recurrent basis makes the following year's financial challenge significantly harder.

In 2025/26 the system aims to deliver £120.1m in savings and £83.1m (69%) on a recurrent basis. Of the £120.1m, 16% was unidentified as at March 2025, which equates to £18.7m. Whilst this is an improvement from prior year, where 25% was unidentified, having an element of unidentified savings increases the risk of non-delivery in 2025/26.

Impact: A lack of robust savings plans and an inability to deliver recurrent savings puts the ICB's financial plan at risk. Multi-year savings plans should reduce the financial pressure in subsequent years.

Improvement Recommendation 1

IR1: To ensure the ICS can maintain financial sustainability into the medium term it should:

- develop plans for the remainder of the unidentified 2025/26 efficiency target
- increase the proportion of recurrent savings, so that the reliance on non-recurrent efficiencies is reduced
- introduce multi-year rolling savings for larger, transformational projects across the system.

		Savings		
		Recurrent	Non-recurrent	**Total**
		£m	£m	£m
2024/25 **plan**	ICB	13.4	48.9	62.3
	Providers	57.4	22.2	79.6
	Total	**70.8**	**71.1**	**141.9**
2024/25 **actual**	ICB	13.4	47.7	61.1
	Providers	47.5	22.3	69.8
	Total	**60.9**	**70**	**130.9**
2025/26 **plan**	ICB	18.6	18.5	37.1
	Providers	64.5	18.5	83
	Total	**83.1**	**37**	**120.1**

Governance – commentary on arrangements

We considered how the ICB:	Commentary on arrangements	Rating
monitors and assesses risk and how the ICB gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	The ICB had arrangements in place to monitor and assess risk, and to gain assurance over internal controls. The Board Assurance Framework (BAF) was in the process of being developed in 2024/25 and as a result the BAF has not been reviewed by the Board since January 2024. During this period the Board reviewed the Corporate Risk Register (CRR) and relied upon the CRR to have understanding and oversight of its strategic and operational risks. We have therefore raised an improvement recommendation on page 22. The CRR was also reviewed by the Executive and the Audit and Risk Committee. The ICB has had an effective Internal Audit and counter-fraud function in place, with update reports against annual work plans considered by Audit Committee. The Head of Internal Audit opinion for 2024/25 was 'significant assurance with minor improvement opportunities. The Board also received key quality, performance and safeguarding updates to identify gaps in performance or breaches in internal control. We considered the Urgent and Emergency Care arrangements and identified that the ICB gained oversight of the quality arrangements from a range of sources, however we found that when providers did not attend an update would not be provided may result in delayed oversight of emerging quality issues. We have concluded that the IR raised in 2023/24 has only been partially addressed, see page 36. An insight has also been raised on page 23.	A
approaches and carries out its annual budget setting process	The ICB worked with system partners to develop a system-level financial and operating plan for 2025/26. The ICB introduced a more robust bottom up and evidence-based approach to the quantification of transformation savings and opportunities for 2025/26. There was active engagement on budget setting at Board and Finance and Infrastructure Committee.	G

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

Governance – commentary on arrangements (continued)

We considered how the ICB:	Commentary on arrangements	Rating
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	The Finance and Infrastructure Committee received monthly financial reports which provided the Committee with oversight of the financial risks faced by the ICB and across the wider system. The reports provided a clear summary of the in-year position and reasons for any variances to plan. Reports to Committee also included relevant non-financial information, such as workforce. After consideration by the Committee, finance reports were presented to each Board meeting throughout the year.	G
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	The ICB is responsible for overall performance, and making properly informed decisions based on good information. Our review of Board papers and minutes demonstrated that informed decisions were made based upon sufficiently detailed papers alongside appropriate discussion. Committees of the Board have a standing agenda item to ensure any issues or risks were reported to the Board.	G

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

Governance – commentary on arrangements (continued)

We considered how the ICB:	Commentary on arrangements	Rating
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	There were arrangements in place for the ICB to monitor and ensure appropriate standards, and we are not aware of any significant breaches of legislation, regulatory or professional standards during 2024/25. The ICB maintained publicly-available registers of interest for staff and Board members to declare interests, as well as publicly-available registers for gifts, hospitality and sponsorship. The ICB's Audit Committee had oversight of the use of waivers, and reviews single tender waivers where necessary.	G

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

Governance – improvement recommendation

Area for Improvement: Board Assurance Framework (BAF)

Findings: The ICB's Board has not received the completed BAF for review and discussion since January 2024.

Evidence: The Board last reviewed and discussed a completed BAF in January 2024. Instead, the Board and Audit Committee have relied upon its Corporate Risk Register (CRR), which was reviewed throughout the year. The Board was reliant upon strategic risks being included within the CRR. However, the CRR did not map risks to the ICB's strategic objectives as a BAF would.

During 2024/25 the ICB, through seminar sessions has been developing its new BAF and presented its populated BAF to the Board for discussion in May 2025.

Impact: Without a BAF the Board cannot be sure that it is aware and managing all the strategic risks which might prevent it from achieving its objectives.

Improvement Recommendation 2

IR2: The ICB should ensure that the new BAF, upon implementation, is reviewed regularly throughout the year by the Board, to ensure the Board is sighted on strategic risks.

Grant Thornton insights – learning from others

The ICB has the arrangements we would expect to see in respect of quality oversight but could challenge itself to go further, based on the best arrangements we see across the sector

What the ICB is already doing

- Attends Provider Quality Committees and Patient Review Committees
- The System Quality Group receives update on ambulance delays and the harm caused by these delays
- The Board receives updates on the Primary Care Access Recovery Plan (PCARP).

What others do well

- Have regular written formal updates from providers, which are presented and discussed at provider quality committees
- Have a planned programme of quality oversight visits for all their providers
- Board reports clearly link under performance (delays) with the impact on patient safety and quality of care

The ICB could consider

- Introducing provider updates to the Provider Quality Committees in the form of written reports instead of verbal updates
- Ensuring performance reports that consider delays in ambulance handovers, or in the ED clearly highlight the impact on patient safety and quality of care

Economy, efficiency and effectiveness – commentary on arrangements

We considered how the ICB:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	The ICB had performance reporting arrangements in place for the Board to oversee performance and identify areas of improvement. The ICB has a Recovery Board which reported into its Finance and Investment Committee, it was tasked with oversight of underperforming priority areas and key recovery actions. Key metrics were included within the Integrated Performance Report (IPR), which are supported by statistical process control (SPC) charts to provide assurance on data quality. An internal audit review of data quality over 2024/25 indicated a significant assurance opinion, demonstrating that the ICB has arrangements in place to ensure data quality.	G
evaluates the services it provides to assess performance and identify areas for improvement	The ICB has received various positive CQC reviews over the past year. The Primary Care Access Recovery Plan (PCARP) was developed with the NHSE, and the PCARP was appropriately monitored and reported to the Board. The ICB currently sits in Segment 3 of the NHS Oversight Framework (NOF), and work is underway to deliver an exit strategy. A System Planning and Oversight Delivery Group was in place which provided assurance on a quarterly basis on the NOF exit strategy for ICB and system providers. Updates were regularly brought to the Board. In 2023/24 we recommended that the ICB should strengthen its quality assurance arrangements, we found that the recommendation we had raised had not been fully addressed, as the SQG was still receiving unsupported verbal updates and as a result if providers did not attend then no update was received. This is included in our insight on page 23.	G

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

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

We considered how the ICB:	Commentary on arrangements	Rating
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	The ICB's Implementation Plan (Joint Forward Plan) was refreshed in 2024/25 and demonstrates a commitment to partnership work. Stakeholder engagement was considered during the refresh to the Plan. The Delivery Oversight Group were responsible for monitoring and ensuring delivery of the Plan throughout the year. There is also active collaboration between the ICB and provider Trusts for greater integration across the system.	G
commissions or procures services, assessing whether it is realising the expected benefits	The ICB had appropriate arrangements to manage procurement and its contracted services. Procurement services were provided through the BSW Procurement Alliance across the system, with the procurement department being hosted by Salisbury NHS Foundation Trust. The ICB has a decision-making tool available for use by contracting officers. The tool guides them through determining the most appropriate provider in scope with the Provider Selection Regime (PSR).	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.

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

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR1	To ensure the ICS can maintain financial sustainability into the medium term it should: • develop plans for the remainder of the unidentified 2025/26 efficiency target • increase the proportion of recurrent savings, so that the reliance on non-recurrent efficiencies is reduced • introduce multi-year rolling savings for larger, transformational projects across the system.	Financial sustainability (pages 16 and 18)	Actions: 1. Delivery plans (which include addressing unidentified CIPs) being assured through Recovery Board. 2. Enhanced CIP reporting at system level. 3. Refresh of the MTFP. Responsible Officer: Matthew Hawkins, Deputy Chief Finance Officer Executive Lead: Gary Heneage, Chief Finance Officer Due Date: 31/03/2026
IR2	The ICB should ensure that the new BAF, upon implementation, is reviewed regularly throughout the year by the Board, to ensure the Board is sighted on strategic risks.	Governance (pages 19 and 22)	Actions: The BAF will be presented to the Audit Committee and Board. Responsible Officer: Annett Loescher, Associate Director of Governance, Compliance & Risk Executive Lead: Rachael Backler, Chief Delivery Officer Due Date: 31/03/2026

06 Follow up of previous Key recommendations

Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR1	To return to financial balance the ICB should: - urgently identify delivery plans against the full 2024/25 efficiency target; - develop a clear pipeline of recurrent saving schemes so that any unexpected shortfalls in current plans can be addressed and to move the ICB away from over-reliance on non-recurrent savings; - work with partners to ensure that robust financial plans are in place to support financial recovery; (cont.)	2023/24	The system has delivered a small surplus for 2024/25 of £0.1m against a breakeven plan. The system has delivered the majority of its savings (92%), £130.9m against a plan for £141.9m. The ICB has been working with partners to increase the amount of recurrent savings delivered and expected to be delivered in 2025/26, although multi-year savings plans have not yet been delivered. The MTFP was updated in September 2024 by the Finance and Investment Committee and due to be updated in September 2025.	In progress	See improvement rec raised on page 19

Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR1	(cont.) - produce a record of multi-year rolling savings for larger, transformational projects across the system; - update the system's MTFP to reflect changes to the underlying position since September 2023, when the plan was last updated; and - ensure the MTFP is kept under regular review to ensure that recovery programmes are sufficient to bridge the latest forecast funding gaps with reporting to Finance and Investment Committee.	2023/24	See commentary on previous page	See commentary on previous page	See commentary on previous page

07 Appendices

Appendix A: Responsibilities of the NHS Integrated Care Board

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

Appendix B: Value for Money Auditor responsibilities

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

Phase 1 – Planning and initial risk assessment

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

Phase 2 – Additional risk-based procedures and evaluation

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

Phase 3 – Reporting our commentary and recommendations

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

A range of different recommendations can be raised by the ICB's auditors as follows:

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

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

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

Information that informs our ongoing risk assessment

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

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	The ICB should ensure that the financial impact of commitments in its Green Plan 2022-2025 are appropriately reflected in its annual and medium-term financial plans. Green objectives should be included as part of the process for assessing and prioritising new expenditure.	2023/24	The ICB includes a sustainability section on the expenditure approval form that is used to support new spend under the public tender thresholds. Sustainability considerations have now been included within the capital prioritisation process to ensure financial impact of commitments are appropriately considered and prioritised.	Complete	No
IR2	The ICB should improve monitoring and reporting on the capital position by including capital reporting in the standard monthly ICS finance reports. This would provide a regular update on the capital position at a system-wide level to the Board and ensure appropriate action can be taken to mitigate any risks in the capital programme.	2023/24	Regular updates were made to the Finance and Investment Committee throughout the year.	Complete	No

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR3	The ICB should improve accountability for budget holders by: - ensuring appropriate processes are in place for budget holders to sign up to their budgets for the year - putting arrangements in place to ensure individual budget holder accountability. For example, through check and challenge sessions or named budget holders on monthly finance reports.	2023/24	Budget holders were held to account through Executive meetings. Meetings took place between finance business partners and budget holders to discuss and agree forecasts, but the Executive meeting provided additional scrutiny of both ICB and budget holder performance.	Complete	No

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR4	The ICB should strengthen quality assurance arrangements through the formalisation and embedding of processes. This should include: - strengthening and formalising the reporting arrangements into the SQG to reduce the number of unsupported verbal updates; - formalised escalation processes to ensure consistency and standardised approach across the system. in line with best practice at other ICB's the ICB should consistently label agenda items for escalation so this is formally discussed and clear what will be escalated and to where; and - establishing consistent attendance and representation at the SQG from the provider trusts and system partners.	2023/24	The Terms of reference for the System Quality Group (SQG) were revised and finalised in September 2024. There was formalised reporting from the SQG to the Quality Committee and the ICB uses the National Quality Board (NQB) escalation framework. However, detailed review of the quality arrangements relating to UEC we identified that the following remain out standing: • strengthening and formalising the reporting arrangements into the SQG to reduce the number of unsupported verbal updates; and • establishing consistent attendance and representation at the SQG from the provider trusts and system partners.	Partially addressed.	No further action to be taken based on CFO commentary. Insight also raised on page 23

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR4	The ICB should strengthen quality assurance arrangements through the formalisation and embedding of processes. This should include: - strengthening and formalising the reporting arrangements into the SQG to reduce the number of unsupported verbal updates; - formalised escalation processes to ensure consistency and standardised approach across the system. in line with best practice at other ICB's the ICB should consistently label agenda items for escalation so this is formally discussed and clear what will be escalated and to where; and - establishing consistent attendance and representation at the SQG from the provider trusts and system partners.	2023/24	**The Chief Nurse has provided the following commentary:** As the ICB Quality team sit on all provider internal quality and patient safety meetings including Patient Safety and Incident Management, sign off of a written by exception report from each organisation at the SQG is not being requested. At the end of these meetings there is a direct ask to the provider if any agenda item discussed in that meeting should be taken to the SQG. There is a SQG agenda planning setting meeting where we review any current quality, patient safety incidents and concerns across all our providers are tabled with the expectation that either a report or presentation is provided. This is specifically where system wide learning or awareness is required and helpful for other organisations to consider a review for themselves. It should be noted that having other system groups such as the community of practice for PSIRF in place not having a written report is mitigated by such meetings as they are on the standard SQG standard agenda workplan. Since this audit was undertaken a System Quality Assurance Framework, co-produced with providers has been approved and provides further strengthened governance oversight of quality assurance arrangements.	Partially addressed.	No further action to be taken based on CNO commentary. Insight also raised on page 23

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR5	The ICB should review the way it works with providers to drive improvements in performance and deliver an exit strategy from segment 3 of the NHS Oversight Framework.	2023/24	The ICB is actively working to deliver an exit strategy, with updates regularly presented to the Board. There are enhanced oversight arrangements in place and a System Planning and Delivery Oversight Group that provides assurance on a quarterly basis.	Complete	No