

Auditor's Annual Report
South East Coast Ambulance Service
NHS Foundation Trust

For the year ended 31 March 2026



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The Board of Directors
South East Coast Ambulance Service NHS Foundation Trust
Ambulance Headquarters
Nexus House
4 Gatwick Road
Crawley
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Dear Members

South East Coast Ambulance Service NHS Foundation Trust (the Trust) – Auditor's Annual Report (DRAFT)

We are pleased to attach our draft Auditor's Annual Report. This report, which is designed to be the basis of discussion when we meet, summarises our audit conclusions and highlights the key findings arising from our value for money work.

We have initially discussed the contents of our report with management and have incorporated their comments where relevant.

This report is intended to be solely for the information and use of the Directors and those charged with governance of the Trust. It should not be shared with anyone beyond the Trust without our prior approval.

We would like to take this opportunity to thank the Trust's officers and staff for the co-operation and assistance afforded to us during the course of the audit.

Yours faithfully

Bishop Fleming Audit Limited

BISHOP FLEMING AUDIT LIMITED

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1. Introduction

Our Auditor's Annual Report (AAR) summarises the work that we completed for South East Coast Ambulance Service NHS Foundation Trust (the Trust) for the year ended 31 March 2026.

The Trust is responsible for keeping proper accounts and proper records in relation to the accounts and for maintaining an appropriate system of internal control. The Trust is responsible for the preparation of annual accounts for each financial year. Such accounts must present a true and fair view and comply with the requirements of enactments that apply to them.

The Trust is also responsible for putting in place appropriate arrangements to secure the economy, efficiency and effectiveness in its use of resources and to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives whilst safeguarding and securing value for money from the public funds at their disposal.

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice (the Code) and the International Standards on Auditing (ISAs) (UK). Our work is planned to provide a focused and robust audit. We are responsible for and are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Trust at the year end and of the Trust's 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's Group Accounting Manual; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We are also responsible for:

- reviewing the Annual Governance Statement to ensure it complies with the guidance issued;
- ensuring the parts of the Remuneration and Staff Report to be audited have been properly prepared; and
- reviewing the Trust's arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Code requires us to report on the Trust's arrangements under three specified reporting criteria:
 - Financial sustainability – how the Trust plans and manages its resources to ensure it can continue to deliver its services;
 - Governance – how the Trust ensures it makes informed decisions and properly manages its risks; and
 - Improving economy, efficiency and effectiveness – how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We carried out our work in accordance with our External Audit Plan that we issued to the Trust in March 2026.

2. Executive summary

Results from the audit of the financial statements

We have substantially completed our audit of the financial statements and, subject to satisfactory completion of the remaining procedures and clearance of outstanding matters, we anticipate issuing an unmodified opinion. See Section 3 for more details.

On finalisation of the external audit, we will also complete the component auditor procedures, in line with the National Audit Office group auditor instructions.

Results on our work on other matters and the Annual Governance Statement

We are in the process of completing our review of other matters and the Annual Governance Statement in line with our planned procedures. We have identified areas that require updating and amending in the financial statements, which are in the process of being amended by management. See Section 3 for more details.

Results from our work on Value For Money (VFM) arrangements

Under the Code, we are required to consider whether the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026.

We also considered the findings of the previous year's Auditor's Annual Report prepared by the predecessor auditor. There were no recommendations to follow up as part of our work.

Our conclusions are summarised below. See Sections 4 to 8 for more details.

Criterion	2025/26 rating	Findings
Financial sustainability	 <i>Amber</i>	We did not identify any significant weaknesses in the Trust's arrangements for financial sustainability. We made one recommendation to strengthen recurrent cost improvement planning and delivery.
Governance	 <i>Green</i>	We did not identify any significant weaknesses in the Trust's arrangements for governance. We have made no recommendations in relation to governance.
Improving economy, efficiency and effectiveness	 <i>Green</i>	We did not identify any significant weaknesses in the Trust's arrangements for improving economy, efficiency and effectiveness. We have made no recommendations in relation to improving economy, efficiency and effectiveness.

Key:

	Green: No significant weaknesses in arrangements identified and no recommendations made
	Amber: No significant weaknesses in arrangements identified but recommendations for improvements made
	Red: Significant weaknesses in arrangements identified and key recommendations made

3. Audit of the financial statements

Audit opinion on the financial statements

The scope of our work is set in accordance with the Code and the International Standards on Auditing (ISAs) (UK). We are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Trust at the year end and of the Trust's 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's Group Accounting Manual; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have substantially completed the audit of the financial statements. A number of completion procedures and follow-up queries remain outstanding, as set out in our Audit Completion Report which was reported to the Audit and Risk Committee on 18 June 2026.

Based on the work performed to date, and subject to satisfactory clearance of these matters, we expect to issue an unmodified audit opinion.

Other matters

We are required to give an opinion on whether the other information published in the Annual Report is materially inconsistent with the financial statements or the knowledge obtained by us in the course of our audit.

Our work is ongoing in this area.

We are required to consider whether the Annual Governance Statement 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.

We are required to give our opinion on whether the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006.

Our work is ongoing in this area.

Audit certificate

At the end of the audit, we are required to certify the completion of the audit. The effect of this certificate is to close the audit and marks the point when the auditor's responsibilities in respect of the audit of the period covered by the certificate have been discharged.

The National Audit Office has highlighted to auditors that as a result of revisions to ISA 600 (Audits of Group Financial Statements) further work may be needed over and above that set out in their Group Instructions issued in April 2026. As a result we cannot formally conclude the audit and issue an audit certificate for South East Coast Ambulance Service NHS Foundation Trust for the year ended 31 March 2026 until we have confirmation from the National Audit Office that no additional work will be required in respect of the Consolidated NHS Provider Accounts exercise that auditors must undertake.

More detailed findings can be found in our Audit Completion Report which was reported to the Audit and Risk Committee on 18 June 2026.

4. Value for Money

Under the Code, we are required to consider whether the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026.

The Code requires us to report our commentary on the Trust's arrangements under three specified reporting criteria:

- Financial sustainability – how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Trust ensures it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness – how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

The National Audit Office has issued guidance for auditors to report against each of the three specified reporting criteria. The guidance also includes a number of further areas for review within each criterion for the auditor to assess those arrangements.

Our risk assessment did not identify any potential risks of significant weaknesses.

We asked management to complete an evidenced self-assessment of the Trust's arrangements. We then reviewed the evidence provided and carried out follow up work as appropriate to consider whether there are any significant weaknesses in the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our commentary on the Trust's arrangements in each of these three areas is set out in Sections 5, 6 and 7 of this report. Our recommendations for improvement are included in Section 8.

5. Financial sustainability

We considered how the Trust plans and manages its resources to ensure it can continue to deliver its services, including how the Trust:

- ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- plans to bridge its funding gaps and identifies achievable savings;
- plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- ensures that 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; and
- identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Overview and 2025/26 outturn

The Trust reported a surplus on continuing activities of £4,795k in its financial statements (2024/25: £708k surplus). The Trust's reported control total, and adjusted financial performance measure for NHS England reporting, was a surplus of £1,652k, compared to a planned breakeven position for the year (2024/25: £49k adjusted surplus). This included delivery on efficiency targets:

- Planned position was £22,600k, of which was 87% recurrent, and £10,000k cash releasing
- Outcome was £22,600k, of which was 69% recurrent, and £7,537k cash releasing

The Trust has had additional focus in the year on the delivery of the cash releasing efficiencies, reducing the burden of funding and support the overall system, rather than the productivity efficiencies.

The cash balance for the Trust as at 31 March was £34,253k (2024/25: £29,027k) with the maximum balance held in February 2026 of £38,723k and the minimum balance of £23,204k in May 2025. The Trust had sufficient liquidity throughout the period.

Financial planning and monitoring

The Trust has established arrangements to prepare and monitor its financial plans in line with NHS England planning guidance. Medium-term plans and annual budgets are built from confirmed allocations, integrated care board (ICB) contractual income and nationally determined funding streams, and are subject to scrutiny and approval through the Board and the Finance and Investment Committee. In-year monitoring is supported by monthly finance reporting, statutory returns to NHS England and the ICB, and regular reporting on the cost improvement programme. They together provide a mechanism to review delivery, challenge assumptions and update plans where circumstances change. The Board receives finance reporting at each meeting, which analyses the surplus/deficit position. It does this by providing commentary on income and expenditure variances, progress and delivery of the efficiency programme, the Trust's cash position and the delivery of the capital plan.

The Trust's 2026/27 plan, submitted in February 2026, sets an operating surplus of £1,083k compared with a £4,081k surplus reported in the 2025/26 financial statements. On an adjusted basis, as reported to NHS England, the plan is for a breakeven financial performance, compared with the £1,652k adjusted surplus achieved in 2025/26. The plan includes efficiency targets of £13,424k for 2026/27 to support delivery of the adjusted breakeven target.

The medium-term plan, which looks through 2027/28 and 2028/29, sets an operating surplus of £1,063k in both years, and on an adjusted basis sets a breakeven target for each of these years, with efficiencies of £10,934k and £10,225k required to be delivered in 2027/28 and 2028/29 respectively. This indicates that the Trust is planning to maintain financial balance over the period, albeit with a continuing requirement to deliver significant efficiencies.

The Trust has an annual daily cash flow forecast which is prepared by NHS Shared Business Services (SBS). It is used by the Trust to monitor expected cash movements across the year, supported by regular reporting through finance monitoring arrangements and Board reports. This enables the Trust to compare forecast cash flows to actual performance and identify any emerging liquidity pressures.

Achieving efficiency savings

The Trust has achieved its cost improvement programme targets in the previous two years. However, the Trust's recurrent delivery has consistently been below plan, with recurrent savings representing 77% of total delivery in 2024/25 and 68% in 2023/24, compared to planned 88% and 77% respectively. This indicates a positive track record in delivering headline savings targets, but also an ongoing reliance on non-recurrent measures which reduces the sustainability of the financial position over the medium term.

For 2026/27, the Trust has planned efficiencies of £13,424k, with no unidentified savings at the point of plan submission. However, it should be noted that 52% of the programme is assessed by the Trust as "high risk" in the submitted 2026/27 plan. High-risk schemes are those where delivery is subject to significant uncertainty, for example due to early-stage development, reliance on external factors, or the need for complex or transformational change. As such, these schemes carry a lower level of confidence of delivery, which increases the risk that the Trust may not fully achieve its planned efficiency target.

The Trust's arrangements in place to oversee, challenge and quality assess savings plans, include regular efficiency review meetings and the use of quality impact assessments involving finance, operational and clinical representatives. Given the recurring shortfall in recurrent delivery against plan, we consider there is scope to strengthen arrangements for identifying, approving and delivering recurrent cost improvement schemes, including clearer tracking of recurrent and cash-releasing benefits. We have made a recommendation in Section 8 on this matter.

Looking forward – 2026/27 financial planning

The Trust's financial planning for 2026/27 is integrated with its wider strategic, workforce and capital planning. The 2026/27 income position has been derived from confirmed allocations, contractual income agreed with ICB commissioners and nationally determined funding streams, and includes relevant uplifts such as cost uplift funding and ambulance growth funding confirmed through the NHS England planning process. These funding streams have been incorporated into the Trust's annual budget and medium-term plan in line with NHS England planning guidance and within the agreed financial envelope. System planning is also supported by the medium term plan bridge, which reconciles the prior year outturn and underlying position to the agreed plan through nationally and locally agreed efficiency assumptions and system funding, over the 3 year planning horizon. This provides a basis for how the 2026/27 income and overall financial position have been derived. The planning assumptions are supported through formal submissions to NHS England and the ICB, internal budget setting guidance and scrutiny through the Finance and Investment Committee and Board.

Cash flow forecasting indicates that liquidity is expected to remain strong throughout 2026/27, with forecast cash balances remaining above £30,146k and no requirement for additional support. Financial risks and opportunities are reported to the Board, and the Trust's plans include scenario analysis over specific risks, such as the non-receipt of ambulance growth funding, which supports management and Board challenge over the assumptions underpinning the plan.

Based on the work carried out, we were satisfied that there are no significant weaknesses in the Trust's financial sustainability arrangements. We have made one recommendation to improve the Trust's arrangements.

6. Governance

We considered how the Trust ensures that it makes informed decisions and properly manages its risks, including how the Trust:

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

Risk management

The Trust has established arrangements to identify, assess and report strategic risks through an embedded risk management framework. Strategic and operational risks are recorded within the Trust's enterprise risk management system. These risks are escalated where they represent threats to the delivery of corporate objectives. Established governance routes include review and challenge through management groups and moderation through the Risk Assurance Group. Escalation to the Board is managed through the alignment of directorate-level risks and the Board Assurance Framework. Risks are assessed using a defined likelihood and impact methodology, with mitigating actions, controls and assurance sources reviewed through these routes.

The Board Assurance Framework provides a high-level dashboard of principal risks, including current and previous risk ratings and named owners, supported by detailed risk pages setting out the risk description, relevant controls, sources of assurance, gaps in control or assurance, accountable director, committee oversight route, current and target scores, and mitigating actions with progress updates. These arrangements provide the Board with focused visibility over the Trust's key strategic risks and support oversight of whether risks are being appropriately identified, escalated and managed. Based on the evidence reviewed, we are satisfied that the Board receives sufficient and appropriately focused information to support oversight of the key corporate risks.

Internal controls

The Trust's internal control environment is supported by management controls including Standing Financial Instructions, the Scheme of Delegation, business case approval routes, budget holder accountability, and regular operational and financial reporting to budget holders, senior management and the Board. These arrangements are overseen through established governance routes, including the Trust Board, the Executive Management Board, the Audit and Risk Committee, and other committees, which review control issues, actions and performance. The Board Assurance Framework supports this by providing Board-level visibility over key controls, sources of assurance and identified control or assurance gaps.

In addition to the Board Assurance Framework, assurance over internal controls is supported by internal audit and counter fraud reporting to the Audit and Risk Committee. Internal audit is provided by BDO and reports to the Audit and Risk Committee. The annual internal audit opinion for 2025/26, presented at the March 2026 Audit and Risk Committee, was "generally satisfactory with improvements required in some areas". This is the second highest rating that BDO issue and indicates that the overall framework of governance, risk management and internal control remains effective, albeit with some areas identified for improvement.

Counter fraud arrangements are also in place, with Local Counter Fraud Specialist activity reported to the Audit and Risk Committee. Based on the evidence reviewed, we did not identify pervasive or significant weaknesses in internal control.

Budget setting and budgetary control

Annual budgets are developed using both top-down assumptions and bottom-up directorate engagement, with budget holders working with Finance Business Partners to review baseline budgets, identify cost pressures and confirm planned adjustments. Governance over this process is provided through the Senior Management Group, the Executive Management Board, the Joint Leadership Team and the Trust Board. Evidence reviewed also demonstrated budget holder sign-off and senior leadership involvement in the approval of budgets.

In-year financial performance is supported by regular reporting to budget holders, senior finance leadership and the Board. Monthly budget holder packs are produced following the general ledger close. These are circulated ahead of review meetings, enabling adverse variances to be identified and discussed promptly. Monthly review meetings are held with the Chief Finance Officer. Wider productivity and efficiencies meetings provide additional challenge over financial trajectory and include considerations of delivery against plan and mitigating actions.

Capital expenditure is monitored separately through business cases and capital reporting arrangements, and relevant non-financial information is integrated into Board reporting through the Integrated Quality Report and specific Board papers.

Decision making

The Trust has formal arrangements in place to support informed decision making and challenge before major decisions are taken. Management information is developed and escalated through a structured governance framework, supported by multidisciplinary input from operational, workforce, performance, clinical and finance functions. This enables proposals to be considered in the round, rather than from a single operational or financial perspective, and supports transparency over the assumptions, risks and dependencies underpinning key decisions.

The governance framework is underpinned by Standing Financial Instructions and the Scheme of Delegation, with evidence of challenge and follow-up through the Executive Management Board, the Finance and Investment Committee, the Audit and Risk Committee, and the Trust Board. From our review of the meeting minutes, and including our attendance at Audit and Risk Committee meetings, we observed an appropriate level of scrutiny and challenge of officers, internal audit findings and other assurance reports. We also did not identify any high or unexplained turnover of those charged with governance during the year that would have adversely affected the discharge of governance responsibilities during the year.

Ensuring appropriate standards

The Trust has suitable arrangements in place to support compliance with legislative, regulatory and behavioural standards. Management confirmed that there has been no significant non-compliance with the Trust's constitution and no breaches of legislation, regulatory requirements or professional standards during the year that resulted in investigation by a legal or regulatory body. At the time of writing this report, the Trust is awaiting final CQC reports for field operations and integrated care, and a date for a well-led review has not been confirmed. We have not identified evidence of any significant regulatory failure or non-compliance from our engagement with the Trust.

Policies relating to staff conduct, confidentiality, declarations of interest and gifts and hospitality are available to staff through the Trust's SharePoint. Declarations of interest arrangements for officers and Non-Executive Directors are in place, with Board-level transparency supported through publication of the register of interests.

Management also confirmed that there were no serious data security breaches during the year. Based on the evidence reviewed, we are satisfied that appropriate standards are supported through policy, reporting and governance arrangements.

Based on the work carried out, we were satisfied that there are no significant weaknesses in the Trust's governance arrangements. We have made no recommendations regarding the Trust's arrangements.

7. Improving efficiency, economy and effectiveness

We considered how the Trust uses information about its costs and performance to improve the way it manages and delivers its services, including:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Trust evaluates the services it provides to assess performance and identify areas for improvement;
- how the Trust 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; and
- where the Trust commissions or procures services, how it assesses whether it is realising the expected benefits.

Assessing performance and evaluating service delivery

The Trust has arrangements in place to use financial and operational performance information to identify areas for improvement. Integrated Quality Reports presented to the Board provide dashboards across the Trust's services aligned to the Trust's strategy. These reports include analysis of key performance indicators, risks and trends, with supporting narrative. This enables the Board to monitor performance against targets, understand trends and consider where improvement action is required.

The Trust also uses corporate benchmarking to compare performance with peers and to inform priority improvement areas, with benchmarking outputs reported through the Executive Management Board and the Trust Board.

In addition, the Trust considers regulator feedback, including Care Quality Commission activity, through Board and Executive Management Board discussions. The Trust uses this feedback to inform its strategic priorities and improvement actions.

The Trust has a formal process for monitoring the implementation of internal audit recommendations through follow-up reporting to the Audit and Risk Committee. The March 2026 internal audit follow-up report showed that recommendations are tracked as complete, in progress, overdue or not yet due, which provides an established mechanism for oversight. However, the report also identified a number of overdue actions and instances where implementation dates had been missed more than once, including actions relating to information governance, business continuity and cyber security. While this did not amount to a significant weakness in arrangements, it indicates scope to strengthen the timeliness of implementing agreed improvements.

Partnership working

The Trust has arrangements in place for partnership working to be reported through its governance structure, enabling the Board to retain oversight of significant partnership activity and matters affecting the organisation. The Trust participates in regular meetings with integrated care system partners, other ambulance trusts and national sector forums, including Association of Ambulance Chief Executives (AACE) and South of England Ambulance Service, and relevant matters are reported through to the Board in the Integrated Quality Report. These arrangements provide a route for partnership feedback, system risks, operational priorities and performance matters to be considered by management and incorporated into Trust decision-making where relevant.

The Trust's financial planning and wider operational reporting demonstrate participation in, and alignment with, integrated care system planning. Planning assumptions are linked to wider system arrangements through confirmed allocations, commissioner income, nationally determined funding streams and the medium-term planning process, while regular system and partnership forums provide routes for decisions affecting the Trust's operating model, financial plan and clinical pathways to be considered. The Trust also engages with key stakeholders when determining local priorities for resources and opportunities for savings, with feedback from system partners and sector forums reported through management and Board governance routes.

The Trust is also progressing and developing a group arrangement with South Central Ambulance Service NHS Foundation Trust (SCAS), which provides an additional route for collaboration, shared learning and service improvement across the two organisations. This model is developing to support joint working in areas including benchmarking, procurement and the development of the Computer Aided Dispatch and electronic Patient Care Record programme. As these arrangements continue to develop during 2026/27, ongoing reporting through the Executive Management Board,

the Trust Board and relevant programme governance forums will remain important to support oversight of the expected benefits and implications for service delivery and efficiency.

Commissioning and procuring services

The Trust has an up-to-date procurement strategy in place, approved by the Trust Board in September 2024. The strategy emphasises transparent and competitive procurement processes, forward planning through a central procurement pipeline, and contract management led by service owners with procurement oversight.

We did not identify evidence of the Trust failing to operate a fair procurement exercise for significant contracts, nor evidence of repeated commissioning from previous service partners without sufficient regard to the market. We also note that the use of external consultants, agency and interim staff remained consistent with the prior year, with no evidence of excessive or inappropriate dependence.

The Trust has arrangements in place to monitor the performance of key service providers and assess whether expected benefits are being realised. We reviewed the contract review minutes, performance packs and action logs for the Integrated Care 2 Ltd 111 contract. These demonstrated regular monitoring of operational, clinical, quality and financial performance, with identified issues tracked through formal follow-up arrangements.

We have not identified any significant financial loss or failure to deliver expected efficiency or performance improvements arising from outsourced contracts, and we noted no significant new services had been taken on during the year.

Based on the work carried out, we were satisfied that there are no significant weaknesses in the Trust's arrangements for improving economy, efficiency and effectiveness. We have made no recommendations regarding the Trust's arrangements.

8. Recommendations

KEY:



Recommendations that refer to issues that have resulted in a significant weakness in the Trust's arrangements



Recommendations that should improve the arrangements in place at the Trust, but are not as a result of identifying a significant weakness.

Current Year Issues

Financial sustainability – recurrent cost improvement delivery	
 <i>Amber</i>	
The Trust has delivered its overall efficiency targets for 2025/26. However, we note that recurrent delivery has been below plan in each of the last three financial years. This indicates an ongoing reliance on non-recurrent measures and reduces the sustainability of the financial position over the medium term.	<u>Recommendation</u> The Trust should strengthen arrangements for identifying, approving and delivering recurrent cost improvement schemes, including clearer tracking of recurrent and cash-releasing benefits, to reduce reliance on non-recurrent measures and support medium-term financial sustainability. <u>Management comment</u> The financial plan is underpinned by efficiency and productivity programmes, with clear recognition of the level of non-recurrent support and a continued focus on developing recurrent, sustainable solutions to support financial balance over the medium term. In addition, the Trust applies consistent accounting policies in line with relevant standards and NHSE guidance, with any judgements or estimates subject to internal governance, external audit scrutiny, and review through the Finance & Investment Committee and Trust Board. Financial risks, including those relating to plan delivery and reliance on non-recurrent measures, are explicitly identified within the Board Assurance Framework and risk reporting processes, with mitigating actions and oversight in place to ensure transparency and appropriate management of both short- and medium-term financial sustainability. CIP schemes are Quality Impact assessed as part of the planning and ongoing development of these. The panel members consists of SMT group members or their delegate. SMG used to be the responsible group for developing and delivering CIP schemes in line with EMB delegation. During 2025/26 regular efficiencies check and challenge meetings took place with SMG members and CIP scheme leads, initially with all and then by exception to support those who needed help to unblock or to realise benefits. This has been superseded by the weekly productivity and efficiency meetings in 2026/27 (chaired by the CFO) and earlier executive agreement on remedial actions (next review meeting is due on 17 June 2026 which is planned to be followed by a Q1 review meeting). This will provide appropriate governance and assurance of delivery.

This document is confidential to: **South East Coast Ambulance Service NHS Foundation Trust**



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