

**Board of Directors Meeting in Public**

<b>Subject:</b>	Board Assurance Framework and Significant Risks Report		<b>Date:</b> 3 <sup>rd</sup> February 2022	
<b>Prepared By:</b>	Neil Wilkinson, Risk and Assurance Manager			
<b>Approved By:</b>	Shirley Higginbotham, Director of Corporate Affairs			
<b>Presented By:</b>	Paul Robinson, Chief Executive Officer			
<b>Purpose</b>				
To enable the Board to review the effectiveness of risk management within the Board Assurance Framework (BAF) and approve the proposed changes agreed by the respective Board sub-committees, and for oversight of significant operational risks.			<b>Approval</b>	✓
			<b>Assurance</b>	
			<b>Update</b>	
			<b>Consider</b>	
<b>Strategic Objectives</b>				
<b>To provide outstanding care</b>	<b>To promote and support health and wellbeing</b>	<b>To maximise the potential of our workforce</b>	<b>To continuously learn and improve</b>	<b>To achieve better value</b>
✓	✓	✓	✓	✓
<b>Overall Level of Assurance</b>				
	<b>Significant</b>	<b>Sufficient</b>	<b>Limited</b>	<b>None</b>
		✓		
<b>Risks/Issues</b>				
<b>Financial</b>	Principal Risk 4 concerns achievement of the Trust's financial strategy.			
<b>Patient Impact</b>	Principal Risk 1 concerns the delivery of safe and effective patient care.			
<b>Staff Impact</b>	Principal Risk 3 concerns staff capability and capacity.			
<b>Services</b>	Principal Risk 2 concerns the management of capacity and demand. Principal Risk 6 concerns the delivery of benefits from working more closely with local health and care partners. Principal Risk 7 concerns the management of major disruptive incidents.			
<b>Reputational</b>	Principal Risk 5 concerns the implementation of evidence based improvement and innovation. Principal Risk 8 concerns the Trust's impact on climate change.			
<b>Committees/groups where this item has been presented before</b>				
Lead Committees review individual Principal Risks at each formal meeting (Quality Committee; Finance Committee; People, Culture and Improvement Committee; Risk Committee). Risk Committee reviews the full BAF quarterly.				
<b>Executive Summary</b>				
Each principal risk in the BAF is assigned to a Lead Director as well as to a Lead Committee, to enable the Board to maintain effective oversight of strategic risks through a regular process of formal review. The 7 Principal Risks are:				
	PR1	Significant deterioration in standards of safety and care		
	PR2	Demand that overwhelms capacity		
	PR3	Critical shortage of workforce capacity and capability		
	PR4	Failure to achieve the Trust's financial strategy		
	PR5	Inability to initiate and implement evidence-based improvement and innovation		
	PR6	Working more closely with local health and care partners does not fully deliver the required benefits		
	PR7	Major disruptive incident		
	PR8	Failure to deliver sustainable reductions in the Trust's impact on climate change		

Lead committees have been identified for specified principal risks and consider these at each meeting, providing a rating as to the level of assurance they can take that the risk treatment strategy will be effective in mitigating the risk.

The Risk Committee further supports the lead committees in their role by maintaining oversight of the organisation's divisional and corporate risk registers and escalating risks that may be pertinent to the lead committee's consideration of the BAF.

To provide Board oversight, a report of significant operational risks is available in the reading room. This report outlines significant risks on the Trust's risk register at the time of the last Risk Committee, and the respective principal risks on the Board Assurance Framework to which they apply.

The Risk Committee reviews all 'Significant' risks recorded within the Trust's risk register every month. This process enables the Committee to take assurance as to how effectively significant risks are being managed and to intervene where necessary to support their management, and to identify risks that should be escalated.

Proposed amendments to the BAF, agreed by the respective Lead Committees, are on the attached document - additions to the text are in red type and removals are in blue type (struck out).

Schedule of BAF reviews since last received by the Board of Directors on 4<sup>th</sup> November

- Quality Committee: PR1 and PR2 – 8<sup>th</sup> November and 10<sup>th</sup> January
- People, Culture and Improvement Committee: PR3 and PR5 – 25<sup>th</sup> November and 31<sup>st</sup> January
- Finance Committee: PR4 – 21<sup>st</sup> December and 25<sup>th</sup> January
- Risk Committee: PR6 and PR7 – 9<sup>th</sup> November, 7<sup>th</sup> December and 11<sup>th</sup> January

A new Principal Risk (PR8) is proposed to address reputational / regulatory risks associated with "Failure to deliver sustainable reductions in the Trust's impact on climate change". The Risk Committee is lead committee for this risk, and discussed its proposed inclusion and content at their December and January meetings.

PR1, PR2, PR3 and PR4 are significant risks; PR1 and PR4 are above their tolerable risk ratings.

PR4 was increased at the January Finance Committee meeting and reflects the change to the forecast outturn reported at M9.

PR1, PR2, PR3, PR5 and PR6 reflect the continuing threat and impact of COVID-19.

In the Assurance rating fields, the date of last change has been added for information. Where this has not changed since the BAF was refreshed in April 2020, this is also stated.

This report is prepared on the assumption that the People, Culture and Improvement Committee agree to the proposed changes submitted to their 31<sup>st</sup> January meeting.

Board members are requested to:

- Review the Principal Risks in light of proposed changes agreed by the respective lead committees
- Consider the implications of any current risk ratings being above tolerable levels
- Agree any further changes
- Approve the BAF subject to any further changes identified