

Board of Directors Meeting in Public

Subject:	Board Assurance Framework		Date: 1 st August 2019	
Prepared By:	Neil Wilkinson, Risk and Assurance Manager			
Approved By:	Shirley Higginbotham, Director of Corporate Affairs			
Presented By:	Richard Mitchell, Chief Executive Officer			
Purpose				
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.			Approval	✓
			Assurance	
			Update	
			Consider	
Strategic Objectives				
To provide outstanding care	To promote and support health and wellbeing	To maximise the potential of our workforce	To continuously learn and improve	To achieve better value
✓	✓	✓	✓	✓
Overall Level of Assurance				
	Significant	Sufficient	Limited	None
		✓		
Risks/Issues				
Financial	Principal Risk 4 concerns the Trust's financial sustainability.			
Patient Impact	Principal Risk 1 concerns the delivery of safe and effective patient care.			
Staff Impact	Principal Risk 3 concerns staff capability and capacity.			
Services	Principal Risk 2 concerns the management of capacity and demand. Principal Risk 6 concerns the effectiveness of strategic partnerships. Principal Risk 7 concerns the management of major disruptive incidents.			
Reputational	Principal Risk 5 concerns stakeholder confidence.			
Committees/groups where this item has been presented before				
Lead Committees review individual Principal Risks at each formal meeting (Quality Committee; Finance Committee; Risk Committee; People, OD and Culture Committee). Risk Committee reviews the entire BAF quarterly.				
Executive Summary				
<p>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:</p> <ul style="list-style-type: none"> PR1 Catastrophic failure in standards of safety & care PR2 Demand that overwhelms capacity PR3 Critical shortage of workforce capacity & capability PR4 Failure to maintain financial sustainability PR5 Fundamental loss of stakeholder confidence PR6 Breakdown of strategic partnerships PR7 Major disruptive incident <p>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.</p> <p>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.</p>				

Suggested amendments to the respective sections of the BAF are detailed below, and on the attached document additions to the text are in red type and removals are in blue type (struck out).

Highlighted at the Board workshop in May was the level of Tolerable Risk rating being consistently higher than the Current Risk rating. This indicates that the use of the risk ratings terms needs to be amended, with the proposal that:

- Target Risk replaces the previous Tolerable Risk rating
- Tolerable Risk rating effectively becomes the 'upper limit' – suggested ratings are included

The graphs have been updated to reflect this change.

The strategic priorities for PR3 – PR7 have been updated to align with the new strategy - for PR1 and PR2 the wording is unchanged in the new strategy.

Schedule of BAF reviews since last received by the Board of Directors on 2nd May

- Finance Committee – PR4 and 6 – 23rd July
- Quality Committee – PR1, 2 and 5 – 15th May and 17th July
- People, OD and Culture Committee – PR3 – 15th July
- Trust Management Team (on behalf of Risk Committee) – PR7 24th July

Board members are requested to:

- Review the Principal Risks in light of proposed changes agreed by the respective lead committees
- Agree any further changes
- Approve the BAF subject to further changes

Details of changes to the BAF since the last review by the Board of Directors, including agreed outcomes from lead committee reviews

Quality Committee

PR1: Catastrophic failure in standards of safety and care

New Tolerable risk rating added – 12 - High

Gaps in control

- 'Culture of patient safety at ward level is still developing & becoming fully embedded' - removed

Plans to improve control

- 'Patient Safety Culture (PSC) programme' – action complete

Sources of assurance – Management

- Patient Safety Culture (PSC) programme – added

Sources of assurance – Independent assurance

- Care Quality Commission / External Regulation Report to QC Mar '19 – added
- Medicines Optimisation Report to QC Mar '19 – added

PR2: Demand that overwhelms capacity

New Tolerable risk rating added – 16 - Significant

Plans to improve control

- Action added - 'Further development of demand and capacity modelling across the Trust for elective care and diagnostics'
 - SLT Lead: Deputy Chief Operating Officer (Elective Care)
 - Timescale: September 2019
- Action 'Revised clinical models for services shared with NUH strengthening of SLAs via Strategic Partnership Board for joint services'
 - SLT Lead added – Medical Director
 - Timescale added – On-going (this is a rolling piece of work related to specialties at risk)
- Action 'Better understand with CCG colleagues with regard to primary care risks, risk managements and gaps, particularly where there may be a relationship with gaps and increasing demand'
 - SLT Lead added – Chief Operating Officer
 - Timescale added – July 2019

Sources of assurance - Management

- Removed – 'Better Together Transformation Programme Update (R) Board Sept'18'
- Added – 'Routine mechanism for sharing of CCG and SFH risk registers – particularly with regard to risks for primary care staffing and demand'

Sources of assurance – Risk and compliance

- Added – 'Divisional NUH/SFH strategic partnership forum minutes and action log'

Gap in Assurance/ Action to address gap

- Removed – 'Routine mechanism for sharing of CCG and SFH risk registers – particularly with regard to risks for primary care staffing and demand'

PR5 - Fundamental loss of stakeholder confidence

New Tolerable risk rating added – 10 - High

Strategic priority

- 'To inspire excellence' replaced with 'To continuously learn and improve'

Primary risk controls

- Added – 'PRM reviews with NHSI'

Gaps in control

- Two gaps removed
 - '37 'Should do' actions identified following CQC inspection Monthly stakeholder updates'
 - 'There is currently insufficient understanding of stakeholder confidence in the Trust and engagement needs strengthening'

Sources of assurance - Independent assurance

- Added – 'PRM reviews with NHSI – positive quality outputs; CQC engagement meetings bi-monthly'

Finance Committee

PR4: Failure to maintain financial sustainability

New Tolerable risk rating added – 15 - Significant

Strategic priority

- 'To get the most from our resources' replaced with 'To achieve better value'

Primary risk controls

- Added – 'External management support to deliver the FIP'
- Added – 'Contractual payment mechanism for 2019/20 recognises marginal costs'
- 'ICP-wide' added to 'joint planning process 2019/20'

Gaps in control

- Removed – 'System approach to QIPP'

Plans to improve control

- Timescale updated to 'Throughout 2019/20' on action 'Continue to work in partnership with NHSI to submit in year applications for cash support'
- Action 'Financial strategy to be developed in consultation with NHSI, and approved' replaced with 'Financial Strategy Review to be presented to FC and Board' – timescale September 2019

Assurance rating - Threat: CCGs' QIPP initiatives may reduce demand...

- 'Inconclusive' replaced with 'Positive'

PR6: Breakdown of strategic partnerships

New Tolerable risk rating added – 8 - Medium

Strategic priority

- 'To play a leading role in transforming local health and care services' replaced with 'To promote and support health and wellbeing'

Executive Lead

- Director of SP&CD replaced by Chief Executive

People, OD and Culture Committee

PR3: Critical shortage of workforce capacity and capability

New Tolerable risk rating added – 16 - Significant

Primary risk controls

- Added – 'Communications issued regarding HMRC taxation rules on pensions and provision of pensions advice'

Gaps in control

- Added – 'HM Revenue and Customs taxation rules on pensions are impacting our higher earning workforce (particularly consultants) and our ability to retain them or get them to do WLLs / extra activity'

Plans to improve control

- Maximising our Potential 3-year Plan development in progress
 - Year 2 complete – Year 3 commenced
 - Timescale updated to end of April 2020

- Added - 'Further key messages on pensions tax implications to be delivered to identified staff'
 - SLT Lead: Deputy Director of HR
 - Timescale: end of July 2019
- Added - 'Consideration of further options to mitigate the impact of the tax changes'
 - SLT Lead: Deputy Director of HR
 - Timescale: end of July 2019

Strategic threat – 'A significant loss of workforce productivity...'

- 'discretionary effort' replaced by 'effort above and beyond contractual requirements'
- Text added to include the additional elements of threat: 'or failure to achieve consistent values and behaviours in line with desired culture. This could also lead to lack of engagement with patients, resulting in failure to address patient empowerment and self-help and failure to work across the system to empower patients and carers to enable personalised patient centred care'

Trust Management Team (on behalf of Risk Committee)

PR7 - Major disruptive incident

New Tolerable risk rating added – 12 - High

Strategic priority

- 'To play a leading role in transforming local health & care services' replaced with 'To continuously learn and improve'

Plans to improve control

- Action complete - 'CSSD options appraisal being carried out through the Strategic Partnership Board'
- Action added - 'CSSD options appraisal to determine how to continue to provide the service'
 - SLT Lead: Divisional General Manager - Surgery
 - Timescale: End of October 2019