

Board of Directors Meeting in Public

Subject:	Board Assurance Framework		Date: 7 th November 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; People, OD and Culture Committee; Risk 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).

Proposed generic or significant changes are:

- amendments to the front page to reflect advice received from 360 Assurance
- the 'Anticipated change' section be removed from the BAF as it does not provide any more information than is captured in the risk rating, treatment and appetite sections. This has been agreed in principle with Internal Audit and is supported by the Risk Committee
- the PR4 threat 'Growth in the burden of backlog maintenance and medical equipment replacement costs to unaffordable levels' is removed as there is no longer a substantial level of backlog maintenance and it is not increasing

It is intended that the PR4 threat 'CCGs' QIPP initiatives may reduce demand and therefore income at a faster rate than the Trust can reduce costs' be reviewed when the ICS plan has been completed and submitted.

Schedule of BAF reviews since last received by the Board of Directors on 1st August

- Finance Committee – PR4 and 6 – 29th October
- Quality Committee – PR1, 2 and 5 – 18th September
- People, OD and Culture Committee – PR3 – 25th October
- Risk Committee – PR7 – 10th September and 9th October

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

PR 1: Catastrophic failure in standards of safety and care

Threat: A widespread loss of organisational focus on patient safety and quality of care...

Primary risk controls
Added - AHP Strategy

Sources of assurance
Added:

- EoLC Annual Report to QC
- Safeguarding Annual Report to QC
- CYPP report to QC quarterly
- Medical Education update report to QC Jul '19

Threat: An outbreak of infectious disease...

Primary risk controls

Added - Influenza vaccination programme

Opportunity: Availability and implementation of new technologies as a clinical or diagnostic aid...

Sources of assurance

Added:

- EoLC Digital implementation governance strengthened
- Chief Clinical Information Officer appointed

Assurance rating

'Inconclusive' replaced by 'Positive'

PR2: Demand that overwhelms capacity

Threat: Exponential growth in demand for care...

Plans to improve control

- Action 'Revised clinical models for services shared with NUH strengthening of SLAs via Strategic Partnership Board for joint services'
 - Timescale: 'On-going' replaced with 'end October 2019'

Gap in Assurance / Action to address gap

- Added – '2019/20 system winter plan'
 - Timescale: end October 2019

Threat: Operational failure of General Practice to cope with demand resulting in even higher demand for secondary care...

Primary risk controls

Added - 'Drivers of demand' discussed at Board

Plans to improve control

- Action 'Better understand with CCG colleagues with regard to primary care risks...'
 - complete

PR5 - Fundamental loss of stakeholder confidence

Threat: Changing regulatory demands (including potential impact of Brexit) or reduced effectiveness of internal controls...

Sources of assurance

Added:

- 'CCG Quality Committee minutes to PSQG' replaced with 'CCG observer at QC'
- Dates and frequencies of reports/meetings updated where relevant

Threat: Failure to take account of shifts in public & stakeholder expectations...

Gaps in control

- 'A more joined up approach to engagement required across the organisations in the Better Together Alliance inc. other key partners' replaced with 'Further development of integrated partnership working within the wider health and social care footprint'

Finance Committee

PR4: Failure to maintain financial sustainability

Strategic threat

- 'A reduction in funding (including potential impact of a general election and Brexit or if ICS/ICP/CCG financial position deteriorates...' – 'ICS/ICP' added
- Removed – 'Growth in the burden of backlog maintenance and medical equipment replacement costs to unaffordable levels'

Gaps in control

- Removed – 'Financial Strategy in development'
- Added – '2019/20 System financial plan under-delivery'

Plans to improve control

- Added – 'Following receipt of NHSI indication of future trajectories, the Financial Strategy is to be reviewed and updated. (If the 4-year plan is accepted, liquidity / cash support is secured.)'
- SLT Lead: Chief Financial Officer
- Timescale: end March 2020
- Added – 'ICS plan to be completed with agreed levers for change and activity/income and cost reductions'
- SLT Lead: Chief Financial Officer
- Timescale: end March 2020
- Action complete – 'Financial Strategy Review to be presented to FC and Board'

PR6: Breakdown of strategic partnerships

Primary risk controls

- 'Mid-Nottinghamshire planning group and the ICS planning group' replaced with 'Mid-Nottinghamshire Integrated Care Partnership Board'
- 'Exec to Exec meetings' – added 'with mid-Nottinghamshire CCG and Nottinghamshire Healthcare'
- 'ICS Leadership Board' replaced with 'Nottingham and Nottinghamshire Integrated Care System Board'
- 'ICP' added to 'Continued engagement with ICS planning and governance arrangements'
- Removed – 'Better Together Board'
- Removed – 'Monthly Comms & Engagement call with health partners'
- Added – 'Quarterly performance review with NHSI'
- Added – 'Clinical Services Strategy - 5 of 20 services complete'
- 'Better Together Alliance' replaced with 'mid-Nottinghamshire ICP'

Gaps in control

- Added – 'Continued misalignment in organisational priorities'
- 'Insufficient granularity of plans that **sufficiently meet** the needs...' replaced with 'Insufficient granularity of plans **to meet** the needs...'

Plans to improve control

- Added – 'Work with the ICP to further the expectations to strengthen ICP working'
- SLT Lead: Chief Executive Officer
- Timescale: end March 2020

- Added – ‘Consider further opportunities for joint appointments’
 - SLT Lead: Chief Executive Officer
 - Timescale: end March 2020
- Action ‘Development of a co-produced clinical services strategy for the ICS footprint’
 - Director of SP&CD removed from joint SLT lead – Medical Director remains
 - Added progress – ‘5 of 20 services complete as at October 2019’
 - Timescale for completion updated to end March 2020

Sources of assurance

- ‘Better Together Alliance’ replaced with ‘mid-Nottinghamshire ICP’
- Independent assurance – *threat ‘Clinical service strategies and/or commissioning intentions...’* – none currently in place

Gap in assurance - *Threat: ‘A reduction in funding (including potential impact of a general election and Brexit or if CCG financial position deteriorates...’*

- Added – ‘Continued misalignment in organisational priorities’

Assurance rating - *Threat: ‘A reduction in funding (including potential impact of a general election and Brexit or if CCG financial position deteriorates...’*

- ‘Positive’ replaced with ‘Inconclusive’

People, OD and Culture Committee

PR3: Critical shortage of workforce capacity and capability

Primary risk controls

- ‘Director of HR & OD attendance at Local Workforce Action Board’ replaced with ‘Director of People attendance at People and Culture Board’
- Added
 - ‘Pensions restructuring payment introduced’
 - ‘Pensions tax education and information exchange sessions’
 - ‘Enhanced equality, diversity and inclusion focus on workforce demographics’

Gaps in control

- Added – ‘Lack of’ to the ‘Divisional ownership and understanding of their workforce issues’
- Removed – ‘Data and soft intelligence is not sufficiently triangulated to enable deeper understanding as to whether there are any areas of cultural incongruence’
- Added - ‘Counselling service provider not delivering optimal performance’

Plans to improve control

- Executive Director of HR & OD replace with Director of People on relevant actions
- Maximising our Potential 3-year Plan (Engage, Develop, Nurture, Perform) development in progress
 - Year 2 complete – Year 3 commenced
 - Timescale updated to end of April 2020
- Actions complete
 - Further key messages on pensions tax implications to be delivered to identified staff

- Consideration of further options to mitigate the impact of the tax changes
- Series of deep dives to triangulate data and soft intelligence
- Action added - 'Re-tender counselling service contract'
 - SLT Lead: Deputy Director of HR
 - Timescale: end of December 2019

Sources of assurance

- Report dates updated where relevant to reflect the most recent reviews
- Removed - 'STP Annual Report 2017/18'
- Added
 - AHP Strategy to Board Sep '19
 - Workforce and OD ICS/ICP update quarterly
 - WRES and WDES report to Board May '19
 - Raising Concerns Assurance report to Board quarterly
 - TED Annual Report to Board Nov '19
 - Trust Strategy update to Board quarterly
 - Gender Pay Gap report to Board Mar '19
 - TRAC Performance Report to P, OD&C quarterly
 - Interim NHS People Plan self-assessment to Board Nov '19

Risk Committee

PR7 - Major disruptive incident

Primary risk controls

- Added – 'Independent Authorising Engineer (Water)'
- Added – 'Major Incident Plan in place'

Gaps in control

- Removed - Unpatched devices accessing the network
- Added - Windows 2003/2008 servers unsupported from January 2020

Plans to improve control

- Development of white list and restriction imposed on unauthorised devices - Phase 2 – completion date changed to end December 2019
- Action added – 'Sophos rollout' – completion date 13th September 2019
- Action 'CSSD options appraisal to determine how to continue to provide the service'
 - Completion timescale amended to end of December 2019
 - Progress added – 'Consultant appointed to manage the tender process'

Sources of assurance

- Updated report date – EPRR Core Standards compliance rating Oct '19 – remains at Substantial Assurance
- Added - 'Water Safety report (produced by WSP) to Joint Liaison Committee Oct '19'

Gap in Assurance / Action to address gap

- Added – ‘Lack of further guidance on the implications of a no-deal Brexit’
- Removed - ‘Water safety issues – managed by the Water Safety Group’

Assurance rating

- **Threat:** A critical supply chain failure - changed from ‘Positive’ to ‘Inconclusive’