

Board of Directors Meeting in Public

Subject:	Board Assurance Framework and Significant Risks Report		Date: 6 th August 2020	
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, and for oversight of significant operational risks.			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 achievement of the Trust's financial strategy.			
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 delivery of benefits from working more closely with local health and care partners. Principal Risk 7 concerns the management of major disruptive incidents.			
Reputational	Principal Risk 5 concerns the implementation of evidence based improvement and innovation.			
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 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 <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>				

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.

Schedule of BAF reviews since last received by the Board of Directors on 7th May

- Quality Committee: PR1 and PR2 – 20th May and 15th July
- People, Culture and Improvement Committee: PR3 and PR5 – 28th May and 27th July
- Finance Committee: PR4 – 29th June and 27th July
- Risk Committee: PR6 and PR7 – 11th May, 8th June and 13th July

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).

The current risk ratings for PR1, 2, 3 and 4 are above their respective tolerable risk ratings. Board members are requested to consider the implications of this position.

Board members are requested to:

- Review the Principal Risks in light of proposed changes agreed by the respective lead committees
- Consider the implications of current risk ratings being above tolerable levels
- 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: Significant deterioration in standards of safety and care

Threat: An outbreak of infectious disease...

Gap in Assurance / Action to address gap

"Unquantifiable impact on activity and staffing due to Coronavirus" replaced with "Learning from the impact on activity, patient safety and staffing due to COVID-19 wave 1"

"Lack of ventilators, ITU beds and PPE" replaced with "Constraints of critical care capacity and PPE availability dependent on the size of future waves and restoration activity"

"Issues with oxygen capacity/flow" replaced with "Business case to enhance oxygen capacity/flow awaited"

PR2: Demand that overwhelms capacity

Risk rating – Tolerable

- Consequence – increased from 3: Moderate to 4: High
- Risk rating – increased from 12: High to 16: Significant

Risk rating – Target

- Likelihood – reduced from 3: Possible to 2: Unlikely
- Consequence – increased from 3: Moderate to 4: High
- Risk rating – reduced from 9 to 8: remained at Medium

Threat: Growth in demand for care...

Primary risk controls

- Added - Some cancer services maintained during COVID-19
- Added - Risk assessments to prioritise individual patients

Plans to improve control

- Action superseded - Systems drivers of demand action plan
 - Progress: The system work with regard to 'Drivers of Demand' was paused due to Covid-19. There is now an ICS wide 'Demand Cell' led by the CCGs that is taking forward this work for Nottinghamshire. This group meets monthly and is focussed on the 'NHS 111 first' implementation

Sources of assurance

- Added - Identifying and capturing Potential Harm Resultant from COVID-19 Pandemic report to Board Jun '20
- Added - NHSI Intensive Support Team review of cancer processes May '20

People, Culture & Improvement Committee

PR3: Critical shortage of workforce capacity and capability

Threat: Inability to attract and retain staff due to demographic changes

Primary risk controls

- Added
 - People Culture and Improvement Strategy
 - People and Inclusion Cabinet
 - Culture and Improvement Cabinet
 - Risk assessments for at-risk staff groups
- Removed - 'Maximising our Potential' workforce strategy – Attract & Retain pillars
 - Workforce Planning Group
 - Exec Talent Management Group
 - Pensions tax education and information exchange sessions
 - Daily COVID-19 workforce group and sub-groups to address related concerns

Gaps in control

- Removed - 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

- Action complete - Maximising our Potential 3-year Plan (Attract and Retain) development in progress
- Action complete - Review approaches to mitigating the gap in control following receipt of guidance from HMRC
- Action complete - Development of the People, Culture and Improvement Strategy (Health & Wellbeing, Resourcing and Equality & Inclusion) 2020-23
- Action added - Implementation of the People, Culture and Improvement Strategy (People and Inclusion)
SLT Lead: Director of People
Timescale: September 2020

Sources of assurance

- Added - Quarterly Assurance reports on People & Inclusion and Culture & Improvement to People Culture and Improvement Committee
- People Culture and Improvement: COVID-19 Update May '20
- Removed - Quarterly workforce report on resourcing to Board
- Workforce Report - Attract & Retain to Board Jun '19;
- Amended - 'Q1 report Board Aug '18' removed from Nursing & Midwifery Strategy 2018/20

Threat: A significant loss of workforce productivity ...

Primary risk controls

- Added - People Culture and Improvement Strategy
- People and Inclusion Cabinet
- Culture and Improvement Cabinet
- Engagement events with Staff Networks (BAME, LGBT, WAND, Time to Change)
- Learning from COVID
- Just and restorative culture

Plans to improve control

- Action complete - Maximising our Potential 3-year Plan (Engage, Develop, Nurture, Perform) development in progress
- Action complete - Development of the People, Culture and Improvement Strategy (Leadership & Culture, Training, Education & Development and Quality & Improvement) 2020-23
- Action added - Implementation of the People, Culture and Improvement Strategy (Culture and Improvement)
SLT Lead: Director of People
Timescale: September 2020

Sources of assurance

- Added
 - Quarterly Assurance reports on People & Inclusion and Culture & Improvement to People Culture and Improvement Committee
 - People Culture and Improvement: COVID-19 Update May '20
- Amended dates - Staff survey, action plan and annual report to Board → Jul '20
 - Diversity & Inclusion Annual report → Jun '20
 - WRES and WDES report to Board → Jun '20
 - Freedom to speak up self-review Board → Jan '20
 - Gender Pay Gap report to Board → Mar '20
 - National Staff Survey → Nov '19

Gaps in assurance

- Added - Reduction in available staff due to COVID-19, e.g. shielding of vulnerable staff groups and social distancing
- Added - Reduction in effort above and beyond contractual requirements due to COVID-19 service restrictions
- Added - Reluctance of some staff members to return to work due to COVID-19-associated health concerns

Assurance rating

- Amended – 'Positive' replaced with 'Inconclusive'

PR5: Inability to initiate and implement evidence-based improvement and innovation

Primary risk controls

- Added - Programme Management Office
 - Culture & Improvement Cabinet
 - Transformation Cabinet

Plans to improve control

- Action complete - Development of transformation programme

Assurance rating

- Added - Positive

Finance Committee

PR4: Failure to achieve the Trust's financial strategy

Threat: A reduction in funding....

Primary risk controls

- "All costs and required cash associated with COVID-19 will be funded until 31/7/20" - added "and for at least one further month"

Plans to improve control

- Action complete - Discussions with NHSI on 2019/20 funding, including COVID-19 costs

Sources of assurance

- Amended – “all costs associated with COVID-19 will be met by the Government” replaced with “all costs associated with COVID-19 will be reimbursed”

Gap in assurance / action to address gap

- Added – Awaiting confirmation of the financial regime post 31/07/20

Assurance rating

- Amended – “Positive” replaced with “Inconclusive”

Threat: System transformation requiring undeliverable cost reductions

Plans to improve control

- Action superseded - Renegotiate 2020/21 contract baseline with CCG
 - Progress: No requirement to negotiate 20/21 contract in the current financial regime

Gap in assurance / action to address gap

- Added – Awaiting confirmation of the financial regime post 31/07/20

Assurance rating

- Amended – “Positive” replaced with “Inconclusive”

Risk Committee

PR6: Working more closely with local health and care partners does not fully deliver the required benefits

Threat: Conflicting priorities, financial pressures (system financial plan misalignment) and/or ineffective governance

Primary risk controls

- Added - Mid-Nottinghamshire ICP Executive formed May 2020
- Added - Mid-Nottinghamshire ICP breakthrough objectives signed off July 2020

Plans to improve control

- Action complete - Work with the ICP to further the expectations to strengthen ICP working
- Action complete - Consider further opportunities for joint appointments

Threat: Clinical service strategies and/or commissioning intentions

Plans to improve control

- Added – “2nd set of 5 services” to “Development of a co-produced clinical services strategy for the ICS footprint”

Gap in Assurance / Action to address gap

- Added - Delay in delivering the benefits of system working due to the impact of COVID-19

Assurance rating

- Amended – ‘Positive’ replaced with ‘Inconclusive’

PR7: Major disruptive incident

Threat: A large-scale cyber-attack ...

Sources of assurance

- Added - 360 Assurance Data Security and Protection Toolkit Independent Assessment Mar '20
– High confidence in submission
- Added - ISO 27001 Information Security Management Certification
- Updated - Data Protection and Security Toolkit submission to Board – date amended to Mar '20
- Added – Cyber Security and COVID-19 Report to Board May '20

Threat: A critical infrastructure failure ...

Plans to improve control

- Action ‘Surgery division to present the preferred CSSD service provision option to the Executive team’ - timescale amended to end August 2020

Gap in assurance

- Action complete - Review outcomes of hard and soft FM assurance reports
- Action added - Provide an assurance report on hard and soft FM performance
 - SLT Lead: Associate Director of Estates & Facilities
 - Timescale: End September 2020
- Amended - ‘Delays to infrastructure works due to Coronavirus restrictions’
 - MCH fire works – added “(completion Apr 2021)”
 - Newark T&O Surgery – added “ (to commence Aug 2020)

Threat: A critical supply chain failure ...

Sources of assurance

- Added - COVID-19 Governance Assurance Report to Board May '20
- Added – 2019/20 Counter Fraud, Bribery and Corruption Annual Report

Gap in assurance

- Removed - Inappropriate approval of requisitions due to unavailability of relevant authorised signatories and/or remote working