

Board of Directors Meeting in Public

Subject:	Board Assurance Framework and Significant Risks Report	Date: 5 th November 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 – 16th September
- People, Culture and Improvement Committee: PR3 and PR5 – 28th September and 22nd October
- Finance Committee: PR4 – 29th September
- Risk Committee: PR6 and PR7 – 10th August, 7th September and 12th October

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 all 'significant' and remain above their respective tolerable risk ratings'. PR1, 2 and 3 reflect the combined threats of COVID-19 and winter pressures.

The current risk rating for PR7 remains 'high' (at the tolerable level) and includes the potential impact of COVID-19 and Brexit.

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

Risk rating

Tolerable

- Consequence increased from 3: Moderate to 4: High
- Risk rating increased from 9: Medium to 12: High

Target

- Consequence increased from 3: Moderate to 4: High
- Risk rating increased from 6: Low to 8: Medium

References to Patient Safety & Quality Group (PSQG) changed to Quality & Patient Safety Cabinet (QPSC) throughout.

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

Plans to improve control

- Action updated – Intranet documents review
- Timescale updated to end of December 2020

Sources of assurance

- Removed – AQP Programme report to QC bi-monthly
- Removed – Senior leadership walk arounds – 15 steps assurance report to QC Jul '19

PR2: Demand that overwhelms capacity

Threat: Growth in demand for care ...

Plans to improve control

- Action updated – “Revised clinical models for services shared with NUH strengthening of SLAs via Strategic Partnership Board for joint services” replaced with “On-going discussions across ICS and specifically with NUH to describe future service delivery. Continued development of ICS clinical service strategy, Tomorrow’s NUH Refresh NUH/SFH Exec to Exec forum. 6-monthly progress updates to Board”
 - Progress removed - “Paper describing the process and timescales to be presented to Board in April”
 - Timescale updated – “TBD” replaced with “end March 2021”

Sources of assurance

- Added - COVID-19 Recovery Plan to Board Sep '20

People, Culture & Improvement Committee

PR3: Critical shortage of workforce capacity and capability

Risk rating

Tolerable

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

Target

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

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

Gaps in control

- Added - Insufficient staff to meet the Phase 3 Activity

Plans to improve control

- Action amended - Implementation of the People, Culture and Improvement Strategy (People and Inclusion)
Timescale: amended to November 2020
- Action added - Increase staffing to meet the Phase 3 Activity Plan
SLT Lead: Director of People
Timescale: March 2021

Sources of assurance

- Added - Recruitment & Retention presentation to Board Aug '20
- Removed - Use of e-rostering - follow up report Apr '18

Threat: A significant loss of workforce productivity ...

Description updated:

- To "significant loss of workforce productivity arising from" added "a short-term reduction in staff availability"
- To "caused by other factors" added "wellbeing issues"

Gaps in control

- Added - Lack of consistent approach to welfare and wellbeing discussions
- Added - Inequalities in staff wellbeing across protected characteristics groups

Plans to improve control

- Action amended - Implementation of the People, Culture and Improvement Strategy (Culture and Improvement)
Timescale: amended to November 2020
- Action added - Introduction of a personally-centred health and wellbeing discussion process
SLT Lead: Director of Culture & Improvement
Timescale: October 2020
- Action added - Completion and delivery of WRES and WDES action plans
SLT Lead: Director of People
Timescale: March 2021

Sources of assurance

- Added - Equality & Diversity presentation to Board Aug '20

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

Plans to improve control

- Action amended - Establish Innovation and Improvement Forum
Timescale: amended to December 2020
- Action complete - Innovation and Improvement to be a core responsibility in all advertised and revised clinical Job Descriptions

Finance Committee

PR4: Failure to achieve the Trust's financial strategy

No changes proposed.

Risk Committee

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

Strategic priority

- 'To continuously learn and improve' replaced with 'Promote and support health and wellbeing'

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

Primary risk controls

- Removed - Exec to Exec meetings with mid-Nottinghamshire CCG and Nottinghamshire Healthcare
- Added - Independent chair for ICP

Gaps in control

- Added - Exec to Exec meetings with mid-Nottinghamshire CCG and Nottinghamshire Healthcare have been paused - attempting to re-start

Plans to improve control

- Action amended - ICS governance review....
Timescale: updated to end October 2020
- Action added - Restore Exec to Exec meetings with mid-Nottinghamshire CCG and Nottinghamshire Healthcare
SLT Lead: Chief Executive Officer
Timescale: end September 2020

Threat and Opportunity: Clinical service strategies and/or commissioning intentions

Plans to improve control

- Action amended - Development of a co-produced clinical services strategy
Timescale: updated to end December 2020

PR7: Major disruptive incident

Threat: A large-scale cyber-attack

Gap in assurance / action to address gap

- Added - Insufficient assurance regarding governance and interface with NHIS
- Action added - 360 Assurance internal audit of governance and interface – ToRs agreed
SLT Lead: Director of Corporate Affairs
Timescale: end November 2020

Threat: A critical infrastructure failure

Plans to improve control

- Action amended - Surgery division to present the preferred CSSD service provision option to the Executive team
Timescale: updated to end October 2020

Gap in assurance / action to address gap

- Action completed - Provide an assurance report on hard and soft FM performance
- Action added - Monitor hard and soft FM performance and provide periodic assurance reports
SLT Lead: Associate Director of Estates & Facilities
Timescale: up to end March 2021
- Removed - Delays to infrastructure works due to Coronavirus restrictions:
 - MCH fire works (completion Apr 2021)
 - Newark T&O Surgery (to commence 1st September 2020)

Threat: A critical supply chain failure

Primary risk controls

- Added – PPE Strategy
- Added – PPE Winter Forecast 2020/21
- Added – EU Exit Preparation Meetings
- Added – COVID-19 Pandemic Surge Plan
- Added – Procurement Influenza Pandemic Business Continuity Plan

Gap in assurance / action to address gap

- Removed – Unknown impact on supply chain as a result of the Coronavirus outbreak
- Added – Security of supplies due to:
 - Unknown impact of Brexit
 - Potential ban on exports to the UK from China
- Removed – Potential for fraud due to supply of substandard equipment/goods from alternative suppliers