

Board of Directors Meeting in Public

Subject:	Board Assurance Framework and Significant Risks Report	Date: 4 th February 2021		
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 5th November

- Quality Committee: PR1 and PR2 – 12th November and 11th January
- People, Culture and Improvement Committee: PR3 and PR5 – 21st January
- Finance Committee: PR4 – 30th November, 21st December and 26th January
- Risk Committee: PR6 and PR7 – 9th November, 7th December and 12th January

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).

A couple of changes to the format of the BAF are also proposed:

- A table on the front page of the BAF containing a summary of each Principal Risk
- The removal of the risk treatment strategy field in each Principal Risk – this does not provide any meaningful information

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 any further changes identified

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: Significant deterioration in standards of safety and care

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

Plans to improve control

- Action amended – Intranet documents review
- Timescale: amended to March 2021

Threat: An outbreak of infectious disease ...

Primary risk controls

- Added – “and Covid” to “Influenza and Covid vaccination programme”

Sources of assurance

- Added – HSE visit Dec '20 - no concerns highlighted

Gap in assurance / action to address gap and issues relating to COVID-19

- Updated – Business case to enhance oxygen capacity/flow
- “awaited” replaced with “has been delivered – awaiting further instruction from NHSE/I”

PR2: Demand that overwhelms capacity

Threat: Growth in demand for care...

Primary risk controls

- Added – Recovery Committee

Gaps in control

- Removed – National workforce supply in some specialties

Sources of assurance

- Removed - Emergency care capacity plan to Board including updates on the winter plan Oct '18
- Removed - Elective Care Expectations – Response to Ian Dalton (NHSI) Letter to Board Sep '18
- Added - Winter Plan to Board Oct '20
- Added - Elective Services Report to Recovery Committee monthly

Gap in assurance / action to address gap and issues relating to COVID-19

- Removed - Impact on cancer surgery and screening programmes due to COVID-19

Assurance rating

- “Inconclusive” replaced with “Positive”

Threat & Opportunity: Operational failure of General Practice to cope with demand ...

Gap in assurance / action to address gap and issues relating to COVID-19

- Added – Lack of recent GP vacancy rates data received from Primary Care
- Action added – Pursue current data
 - SLT Lead: Chief Operating Officer
 - Timescale: end January 2021

People, Culture & Improvement Committee

PR3: Critical shortage of workforce capacity and capability

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

Plans to improve control

- Action amended – Implementation of the People, Culture and Improvement Strategy (People and Inclusion)
 - Timescale: amended to April 2021

Sources of assurance

- Added – Nursing and Midwifery and AHP six monthly staffing report – Nov 20
- Added – EU Exit Risk System Overview - Nottingham and Nottinghamshire System Dec ‘20
- Amended – “Recruitment & Retention presentation to Board Aug ‘20” replaced with “Recruitment & Retention report monthly”
- Amended – Guardian of safe working report to Board – date updated to Nov ‘20

Threat: A significant loss of workforce productivity ...

Primary risk controls

- Added – COVID-19 vaccination programme

Gaps in control

- Removed – Lack of consistent approach to welfare and wellbeing discussions

Plans to improve control

- Action amended – Implementation of the People, Culture and Improvement Strategy (Culture and Improvement)
 - Timescale: amended to April 2021

- Action complete – Introduction of a personally-centred health and wellbeing discussion process
- Action added – Review and refine the current health and wellbeing offer
 - SLT Lead: Executive Director of People
 - Timescale: April 2021

Sources of assurance

- Removed – Raising Concerns Assurance report to Board quarterly
- Removed – TED Annual Report to Board Nov '19
- Added – Combined assurance report addressing; D&I, Violence & Aggression, Restraints Oct 20 Board
- Amended – Interim NHS People Plan self-assessment – “to Board Nov '19” replaced with “to People Culture & Inclusion Sep 20”
- Amended – Report dates updated as required to reflect most recently reported

Gaps in assurance / actions to address gaps and issues relating to COVID-19

- Added – to ‘Reduction in available staff due to COVID-19, e.g....’ added ‘redeployment to the vaccination programme’
- Added – Restrictions to deployment of key staff due to reduced availability of Mandatory and Statutory Training, and the consequential expiry of certification

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

Plans to improve control

- Action complete – Establish Innovation and Improvement Forum
- Action added – Establish an ideas generator platform
 - SLT Lead: Director of Culture and Improvement
 - Timescale: end March 2021

Sources of assurance

- Amended – ‘Monthly FIP report to FC’ replaced with ‘Monthly FIP/Transformation report to FC’
- Removed – AQP programme report to QC bi-monthly
- Removed – accelerated implementation of developments in some areas due to the impact of COVID-19
- Removed – Significant Service Change report to Board Jun '20
- Removed – Draft transformation programme to Board Jul '20
- Added – Clinical Audit & Improvement report to QASC quarterly
- Added – Culture & Improvement Assurance Report to PC&IC bi-monthly

Finance Committee

PR4: Failure to achieve the Trust's financial strategy

Threat: A reduction in funding....

Primary risk controls

- "Close working with STP partners and the Alliance framework to identify system-wide cost reductions" replaced with "Close working with ICS partners to identify system-wide cost reductions"
- "All costs and required cash associated with COVID-19 will be funded until 31/7/20, and for at least one further month" replaced with "All costs and required cash associated with COVID-19 funded in full for period 1/4/20 to 30/9/20"
- Removed - External management support to deliver the FIP

Gaps in control

- Added - Lack of clarity on the financial regime for 21/22
- Added - £9m deficit forecast in M7-12 resource envelope

Plans to improve control

- Action amended - Full receipt of required cash (FRF) following delivery of NHSI required future trajectories
Timescale: 2021/22 plan submission date (TBC by NHSI)
- Action amended - Full review of ability to improve recurrent delivery of FIP within financial planning for 2021/22
Action SLT Lead amended – "Chief Financial Officer" replaced with "Director of Culture and Improvement"
Timescale: 2021/22 plan submission date (TBC by NHSI)
- Action amended - Budget setting process for 2021/22 to include enhanced confirm and challenge
Timescale: 2021/22 plan submission date (TBC by NHSI)
- Action added - Monthly reviews of forecasts by CFO, monitoring and reporting of delivery of forecast (not plan), no re-investment of favourable variance to forecast, adverse variances to be recovered
SLT Lead: Chief Financial Officer
Timescale: October 2020 to March 2021
- Action added - Weekly review meetings with NHSI to explain the 2019/20 impact on current £9m deficit
SLT Lead: Chief Financial Officer
Timescale: 2020/21 plan submission date (TBC by NHSI)

Sources of assurance

- "All costs associated with COVID-19 will be reimbursed" replaced with "All costs associated with COVID-19 reimbursed in full to 30/9/20"

Gap in assurance / action to address gap

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

Threat: System transformation requiring undeliverable cost reductions

Threat and all associated controls, gaps and assurances removed.

New Threat added: ICS system deficit results in a negative financial impact to the Trust

Primary risk controls

- Added - Full participation in ICS planning
 - SFH plan consistency with ICS plan
 - ICS DoFs Group
 - ICS Planning Group
 - ICS Financial Sustainability Group

Gaps in control

- Added - ICS underlying financial deficit

Plans to improve control

- Action added - Full participation in the development of the ICS Financial Strategy and aligned payment mechanisms
SLT Lead: Chief Financial Officer
Timescale: 31/3/2021

Sources of assurance

- Added - ICS financial reports to Finance Committee
- Added - ICS Board updates to SFH Trust Board

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

Plans to improve control

- Action amended - ICS governance review....
 - Added - New ICS Chair to be appointed
 - Timescale updated to "under review December 2020"
- Action amended - Restore Exec to Exec meetings with mid-Nottinghamshire CCG and Nottinghamshire Healthcare
 - Timescale updated to "Will review once we move out of wave two"

PR7: Major disruptive incident

Threat: A large-scale cyber-attack

Sources of assurance

- Added - TIAN / 360 Assurance Cyber Security Survey - The impact of Covid-19 on the NHS Dec '20

Gap in assurance / action to address gap

- Action amended - 360 Assurance internal audit of governance and interface
 - Timescale updated to January 2021

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 January 2021

Threat: A critical supply chain failure

Primary risk controls

- Added - Interim provision for transmission of personal data to the United Kingdom clause within the EU Exit agreement

Sources of assurance

- Added - EU Exit Risk System Overview – Nottingham and Nottinghamshire System Dec '20

Gap in assurance / action to address gap

- Amended – “Security of supplies due to: Unknown impact of Brexit” – added “on critical items including medicines”