

Board of Directors Meeting in Public

Subject:	Board Assurance Framework and Significant Risks Report	Date: 6 th May 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 4th February

- Quality Committee: PR1 and PR2 – 8th March
- People, Culture and Improvement Committee: PR3 and PR5 – 25th March and 27th April
- Finance Committee: PR4 – 23rd February, 30th March and 27th April
- Risk Committee: PR6 and PR7 – 9th February, 9th March and 13th April

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 rating for PR3 has been reduced but remains a significant risk. PR1, 2 and 4 are all 'significant' and remain above their respective tolerable risk ratings'. PR1, 2 and 3 reflect the threat of COVID-19.

The current risk rating for PR7 has been reduced to "medium" and is now below the tolerable level.

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 ...

Sources of assurance

This section has been reformatted to present additional assurances in sections, which are:

Management section:

Quality and Governance Reporting Pathway; Quality Assurance and Safety Cabinet →Quality Committee

Reports include:

- DPR Report to QASC monthly and QC bi-monthly
- QASC assurance report to QC bi-monthly
- Patient Safety Culture (PSC) programme
- EoLC Annual Report to QC
- Safeguarding Annual Report to QC
- CYPP report to QC quarterly
- Medical Education update report to QC
- Medicines Optimisation Annual Report to QC

Outputs from internal reviews against External National Reports including;

- HSIB Thromboembolic Maternity Report (Oct 2020)
- National Audit for Care of end of Life (Sep 2020)
- Ockenden Report (Dec 2020)

Independent assurance section:

Screening Quality Assurance Services assessments and reports of:

- Antenatal and New-born screening
- Breast Cancer Screening Services
- Bowel Cancer Screening Services
- Cervical Screening Services

External Accreditation/Regulation annual assessments and reports of;

- Pathology (UKAS)
- Endoscopy Services (JAG)
- Medical Equipment and Medical Devices (BSI)
- Blood Transfusion Annual Compliance Report (MHRA)

Also added - CQC Inspection Report 2020

Other independent assurances dated before 2020 have been removed

Threat: An outbreak of infectious disease ...

Sources of assurance

- Added – IPC BAF report to QASC and QC
- Added – IPC BAF Peer Review by Medway Trust
- Added – HSE External assessment and report
- Added – HSIB IPC assessment and report
- Amended – CQC Rating Good with Outstanding for Care
 - Date amended to May '20

PR2: Demand that overwhelms capacity

Threat: Growth in demand for care...

Primary risk controls

- Removed – Recovery Committee

Sources of assurance

- Removed – IA review of outpatient Demand and capacity modelling Jul '18
- Removed – Regulatory Framework - Performance Standards (Emergency Readmissions Indicator) Follow-Up Sep '18

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

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

- Action amended – Pursue current GP vacancy data
 - Timescale updated to end March 2021

People, Culture & Improvement Committee

PR3: Critical shortage of workforce capacity and capability

Risk rating

Current exposure

- Likelihood reduced from 5: Very likely to 4: Somewhat likely
- Risk rating reduced from 20: Significant to 16: Significant

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

Gaps in control

- Removed – Insufficient staff to meet the Phase 3 Activity Plan

Plans to improve control

- Action complete – Implementation of the People, Culture and Improvement Strategy (People and Inclusion)
 - submitted to P,C&I Committee for approval
- Action added – Deliver the People, Culture and Improvement Strategy (People and Inclusion)
 - SLT Lead: Executive Director of People
 - Timescale: March 2022
- Action complete – Increase staffing to meet the Phase 3 Activity Plan

Sources of assurance

- Added – Pre-employment Checks internal audit report Feb '21 – significant assurance
- Added – HSJ Award for Acute Trust of the Year 2021

Threat: A significant loss of workforce productivity ...

Gaps in control

- Added – “inclusivity” to “Inequalities in staff inclusivity wellbeing across protected characteristics groups”

Plans to improve control

- Action complete – Implementation of the People, Culture and Improvement Strategy (Culture and Improvement)
 - submitted to P,C&I Committee for approval
- Action added – Deliver the People, Culture and Improvement Strategy (Culture and Improvement)
 - SLT Lead: Executive Director of People
 - Timescale: March 2022
- Action complete – Review and refine the current health and wellbeing offer
- Action complete – Increase staffing to meet the Phase 3 Activity Plan
- Action added – Deliver the Equality, Diversity and Inclusivity Strategy
 - SLT Lead: Executive Director of People
 - Timescale: March 2022

Sources of assurance

- Added – Gender Pay Gap report to Board Apr '21

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

Primary risk controls

- Added – Ideas generator platform

Plans to improve control

- Action complete – Establish an ideas generator platform
- Action added – Introduction of a newly designed QI training offer
 - SLT Lead: Director of Culture and Improvement
 - Timescale: May 2021
- Action added – Proposal for continuous improvement in SFH
 - SLT Lead: Director of Culture and Improvement
 - Timescale: May 2021
- Action added – Establishment of an innovation hub
 - SLT Lead: Director of Culture and Improvement
 - Timescale: June 2021
- Action added – Recruit a Chief Information Officer
 - SLT Lead: Medical Director
 - Timescale: August 2021

Sources of assurance

- Amended – ‘Monthly FIP/Transformation report to FC’ replaced with ‘Monthly Transformation and Efficiency report to FC’
- Added – SFH breakthrough objectives to Board quarterly

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

- Amended – to ‘Delays in planned improvement and innovation programmes due to COVID-19’ added ‘training’

Finance Committee

PR4: Failure to achieve the Trust’s financial strategy

Threat: A reduction in funding....

Primary risk controls

- “FIP Board” replaced with “Transformation and Efficiency Cabinet” within FIP planning processes and PMO coordination of delivery
- “planning, transformation” added to “Close working with ICS partners to identify system-wide planning, transformation and cost reductions”
- Added – 2021/22 Planning guidance confirms continuation of 20/21 funding regime for H1

Gaps in control

- Removed – £9m deficit forecast in M7-12 resource envelope

Healthier Communities, Outstanding Care

Plans to improve control

- Action timescales amended – “H2” added to “2021/22 H2 plan submission date (TBC by NHSI)”
- Amended – “H1 and H2” added to “budget setting process for 2021/22 to include enhanced confirm and challenge”
- Action complete – 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
- Action complete – Weekly review meetings with NHSI to explain the 2019/20 impact on current £9m deficit

Sources of assurance

- Added – Delivery of improved 20/21 financial position

Gaps in assurance / actions to address gap

- Added – Awaiting 2021/22 NHSI/E planning guidance

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

Primary risk controls

- Added – ICS Strategy and Delivery Group
- Removed – ICS Planning Group
- Removed – ICS Financial Sustainability Group

Plans to improve control

- Amended – Full participation in the development of the ICS Financial Strategy and aligned payment mechanisms
 - Timescale amended to “2021/22 H2 plan submission date (TBC by NHSI)”

Gaps in assurance / actions to address gaps

- Added – Awaiting 2021/22 NHSI/E planning guidance

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 to include:
 - “New ICS Chair to be appointed” replaced with “New ICS Chair started in February 2021”
 - Timescale: under review June 2021

- Action amended - Restore Exec to Exec meetings with mid-Nottinghamshire CCG and Nottinghamshire Healthcare
- Timescale: Board to Board with Notts Healthcare agreed for early April 2021. CEO and Chair of NUH, NHC and SFH met in February

Threat and opportunity: Clinical service strategies and/or commissioning intentions that do not sufficiently anticipate evolving healthcare needs

Plans to improve control

- Action amended - Development of a co-produced clinical services strategy for the ICS footprint
- Timescale updated to June 2021

PR7: Major disruptive incident

Current exposure

- Likelihood reduced from 3: Possible to 2: Unlikely
- Risk rating reduced from 12: High to 8: Medium

Threat: A large-scale cyber-attack

Description changed to “*Shut down of the IT network due to a large-scale cyber-attack or system failure that and severely limits the availability of essential information for a prolonged period*”

Sources of assurance

- Added - CCG Cyber Security Report Mar '21- Significant Assurance

Plans to improve control

- Action amended – 360 Assurance internal audit of governance and interface
- Timescale: updated to February 2021

Gaps in assurance / actions to address gaps

- Action amended - 360 Assurance internal audit of governance and interface
- “ToRs agreed” replaced with “final report in draft”

Threat: A critical infrastructure failure

Sources of assurance

- Removed – Condition of retained estate (CCU Water System) update to Risk Committee Jan '19
- Added – Water Safety Update Report to Risk Committee Jul '20
- Added – MEMD ISO 9001:2015 Recertification Mar '21

**Healthier Communities,
Outstanding Care**

Plans to improve control

- Action amended – Surgery division to present the preferred CSSD service provision option to the Executive team
 - Timescale: updated to end February 2021
- Action complete – Surgery division to present the preferred CSSD service provision option to the Executive team
- Action added – Surgery division to present the CSSD service business case to the Executive team
 - o SLT Lead: Divisional General Manager - Surgery
 - o Timescale: May 2021

Threat: A critical supply chain failure

Gaps in assurance / actions to address gaps

- Removed – Security of supplies due to:
 - Unknown impact of Brexit on critical items including medicines
 - Potential ban on exports to the UK from China