Board of Directors Meeting in Public

Subject:	Board Assurance Framework and Significant Risks Report	**Date:** 5th August 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

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:

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

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.

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 6th May

- Quality Committee: PR1 and PR2 – 10th May and 12th July
- People, Culture and Improvement Committee: PR3 and PR5 – 29th July
- Finance Committee: PR4 – 23rd February, 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 and PR2 have been reduced but remain significant risks. PR3 and PR4 also remain significant risks, and PR1 and PR4 remain above their respective tolerable risk ratings. PR1, PR2 and PR3 reflect the threat of COVID-19.

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

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

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

Primary risk controls
- Removed – Advancing Quality Programme and AQP oversight group
- Added – Internal Reviews against External National Reports
- Added – Getting it Right First Time (GIRFT) localised deep dives, reports and action plans
- Added – CQC Bi-monthly Engagement Meetings

Gaps in control
- Added – Lack of real time data collection

Plans to improve control
- Action amended – Intranet documents review
  - Timescale: updated to September 2021
- Action added – Information, EMPA, EPR and IT Developments in development or progress
  - SLT Lead: Executive Medical Director
  - Timescale: March 2022

Threat: An outbreak of infectious disease …

Primary risk controls
- Added – Infection Prevention and Control Board Assurance Framework
- Added – Outbreak meeting including external representation, CCG, PHE, Regional IPC
- Added – CQC IPC Key lines of enquiry engagement sessions

Gaps in assurance / actions to address gaps and issues relating to COVID-19
- Added – Unable to provide assurance that infection risk is monitored at the front door and documented in the patient notes
- Action added – Information capture to be moved onto the electronic patient record
  - SLT Lead: Chief Nurse
  - Timescale: March 2022

PR2: Demand that overwhelms capacity

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

Threat: Growth in demand for care…

Primary risk controls
- Added – Elective Steering Group now meeting monthly to steer the recovery of elective waiting times
- Added – Accelerator Programme - SFH has been successful in being part of the national Elective Accelerator programme attracting £2.5m of funding to help speed up the recovery of services

Gaps in control
- Action complete – 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
    - ICS Clinical Services Strategy work completed – moving on to implementation

Sources of assurance
- Added – Elective Steering Group report to Executive Team weekly
- Added – Cancer services report to Board Jun '21

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

Gap in assurance / action to address gap and issues relating to COVID-19
- Removed – Lack of recent GP vacancy rates data received from Primary Care
- Action complete – Pursue current GP vacancy data

People, Culture & Improvement Committee

PR3: Critical shortage of workforce capacity and capability

Threat: Inability to attract and retain staff due to demographic changes ….
- *Added "…or mental health issues relating to the working environment…"*

Primary risk controls
- Added – Refined and expanded Health and Wellbeing support system

Gaps in assurance / actions to address gaps and issues relating to COVID-19
- Added – Staff mental health issues as a result of psychological trauma

Threat: A significant loss of workforce productivity …

Primary risk controls
- Added – Combined violence and aggression campaign across system partners

Gaps in assurance / actions to address gaps and issues relating to COVID-19
- Amended – To "Reduction in available staff due to COVID-19, e.g. …" added "staff isolating"
- Added – Increase in violence and aggression towards staff
- Action added – Implement the recommendations from the SWE Expert Group report 'Violence & Aggression and Associated Risks'
  - SLT Lead: Chief Nurse
  - Timescale: March 2022

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

Plans to improve control
- Action complete – Introduction of a newly designed QI training offer
- Action complete – Proposal for Continuous Improvement in SFH
- Action amended – Establishment of an Innovation Hub
  - Timescale updated to October 2021
- Action amended – Recruit a Chief Information Officer
  - Timescale updated to January 2022

Gaps in assurance / actions to address gaps and issues relating to COVID-19
- Added – Lack of independent assurance, evidence and insight
- Action added – Development of a Continuous Improvement Maturity Assessment in conjunction with EMAHSN
  - SLT Lead: Director of Culture and Improvement
  - Timescale: December 2021

Finance Committee

PR4: Failure to achieve the Trust's financial strategy

Threat: A reduction in funding….

Sources of assurance
- Amended – 'Internal Audit Report FIP/ QIPP (Jul '18)' replaced with 'Internal Audit of FIP/QIPP processes Jul '21'

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
- Removed – Trust CFO role as ICS Finance Director
- Added – ICS Transition and Risk Committee
- Added – Approved implementation plan for establishing system risk arrangements

Gaps in control
- Removed - Exec to Exec meetings with mid-Nottinghamshire CCG and Nottinghamshire Healthcare have been paused – attempting to re-start

Plans to improve control
- Action complete - ICS governance review….
    - Meetings are now taking place

- Action complete - Restore Exec to Exec meetings with mid-Nottinghamshire CCG and Nottinghamshire Healthcare
    - Meetings are now taking place

Assurance rating
- Amended – "Inconclusive" replaced with "Positive"

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

Primary risk controls
- Amended – Clinical Services Strategy - services complete – '5 of 20' replaced with '10 of 20'

Plans to improve control
- Action complete – Development of a co-produced clinical services strategy for the ICS footprint – 2nd set of 5 services
- Action added – Development of a co-produced clinical services strategy for the ICS footprint – 3rd set of 5 services
    - SLT Lead: Medical Director
    - Timescale: end September 2021

Assurance rating
- Amended – "Inconclusive" replaced with "Positive"

PR7: Major disruptive incident

Threat: A large-scale cyber-attack ….

Sources of assurance
- Amended – 360 Assurance Data Security and Protection Toolkit
    - "Independent Assessment Mar '20 – High confidence in submission" replaced with "Apr '21 - substantial assurance
- Added - 360 Assurance Data Security and Protection Toolkit audit May '21 – substantial assurance
- Added – 360 Assurance internal audit of governance and interface – limited assurance

Gaps in assurance / actions to address gaps
- Action complete – 360 Assurance internal audit of governance and interface – final report in draft
- Action added – Implement the actions from the NHIS Governance and Interface internal audit report
    - SLT Lead: Medical Director
    - Timescale: March 2022
- Added – Cyber Security Essentials Plus mandatory requirement will not be met by June 2021
- Action added – Address Cyber Security Essentials Plus failures to obtain certification
    - SLT Lead: Director of NHIS
    - Timescale: July 2021

Threat: A critical infrastructure failure ….

Gaps in control
- Removed – Operational resilience of the Central Sterile Services Department (CSSD)

Plans to improve control
- Action complete – Surgery division to present the CSSD service business case to the Executive team

Sources of assurance
- Added – Patient Safety Concerns report to QC March '21
- Added – Hard and soft FM assurance reports

Gaps in assurance / actions to address gaps
- Action complete – Monitor hard and soft FM performance and provide periodic assurance reports
- Action added – 360 Assurance internal audit of contract management
    - SLT Lead: Associate Director of Estates & Facilities
    - Timescale: September 2021

Threat: A critical supply chain failure ….

Sources of assurance
   - Added – 360 Assurance Procurement Review Apr '21 – Significant Assurance