

Board of Directors Meeting in Public

Subject:	Board Assurance Framework	Date: 6 th February 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.			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 the Trust's financial sustainability.			
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 effectiveness of strategic partnerships. Principal Risk 7 concerns the management of major disruptive incidents.			
Reputational	Principal Risk 5 concerns stakeholder confidence.			
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 Catastrophic failure in standards of safety and care PR2 Demand that overwhelms capacity PR3 Critical shortage of workforce capacity and capability PR4 Failure to maintain financial sustainability PR5 Fundamental loss of stakeholder confidence PR6 Breakdown of strategic partnerships 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> <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.</p>				

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

- Quality Committee – PR1, 2 and 5 – 20th November and 15th January
- Finance Committee – PR4 and 6 – 17th December and 27th January
- People, OD and Culture Committee – PR3 – 6th December and 27th January
- Risk Committee – PR7 – 9th December and 13th 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).

These proposed changes do not include those discussed at the 23rd January Board Workshop, which will come into effect from 1st April.

Board members are requested to:

- Review the Principal Risks in light of proposed changes agreed by the respective lead committees
- 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

PR 1: Catastrophic failure in standards of safety and care

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

Primary risk controls

- Added – Scoping and sign-off process

Plans to improve control

- Action 'Intranet redevelopment project' replaced with 'Intranet documents review'
- Timescale updated to end August 2020

Gaps in control

- Updated – 'Intranet currently contains some out of date versions of clinical information that may still be accessible'

Sources of assurance

- Removed - Mortality Surveillance report to QC monthly
- Updated – CQC rating 'and oversight'
- Updated - dates/reporting committees/groups where relevant

Threat: An outbreak of infectious disease...

Primary risk controls

- Added – Public communications re: norovirus and infectious diseases

Sources of assurance

- Removed - IA Decontamination of Mattresses Review AAC/ Risk May '18
- Removed - Authorised Engineer report Risk Jun '18
- Added - Influenza vaccination cumulative number of staff vaccinated
- Updated - dates/reporting committees/groups where relevant

Opportunity: Availability and implementation of new technologies as a clinical or diagnostic aid...

Risk treatment strategy

- Added – Digital Strategy Group
- Added – Trust-wide digital strategy under development
- Added – ICS digital strategy under development

Sources of assurance

- Added – Near-patient influenza testing in ED
- Updated - Digital Strategy Implementation Group Report to Board
- Removed - STP Annual report 2017/18

PR2: Demand that overwhelms capacity

Threat: Exponential growth in demand for care...

Primary risk controls

- Added - 'Trust and' to 'System escalation process'
- Added - Cancer Improvement plan

Gaps in control

- Removed - No systematic approach to demand and capacity modelling across the Trust for elective care and diagnostics
- Added - Robust delivery of the demand management schemes across the system

Plans to improve control

- Action complete – 'Further development of demand and capacity modelling across the Trust for elective care and diagnostics'
- Added – Systems drivers of demand action plan
 - SLT lead: COO
 - System lead: CEO (via AEDB)
 - Timescale: end June 2020
- Updated – Action 'Revised clinical models for services shared with NUH strengthening of SLAs via Strategic Partnership Board for joint services' – timescale changed to end March 2020

Gap in Assurance / Action to address gap

- Action complete – 'Quality Committee to receive a regular report regarding system controls to provide assurance'

Threat: Operational failure of General Practice to cope with demand resulting in even higher demand for secondary care...

Primary risk controls

- Removed - 'Drivers of demand' discussed at Board

Gaps in control

- Removed - Overview of specific gaps within primary care provision (the corresponding action 'Better understand with CCG colleagues with regard to primary care risks, risk managements and gaps, particularly where there may be a relationship with gaps and increasing demand' was reported as completed in September)

Sources of assurance

- Added - 'Drivers of demand' discussed at Board

Gap in Assurance / Action to address gap

- Added – Further detail required regarding drivers of demand from the ICS
- SLT Lead: Chief Operating Officer

Timescale: end March 2020

Threat: 'Operational failure of neighbouring providers that creates a large-scale shift in the flow of patients and referrals to SFH'

- replaced with 'Drop in operational performance of neighbouring providers that creates a shift in the flow of patients and referrals to SFH'

Sources of assurance

- Added - NUH service support to SFH paper to Executive Team

Gap in Assurance / Action to address gap

- Added – Lack of control over the flow of patients from the surrounding area

PR5 - Fundamental loss of stakeholder confidence

Threat: Changing regulatory demands (including potential impact of Brexit) or reduced effectiveness of internal controls...

Primary risk controls

- Added - CQC annual provider information request

Sources of assurance

- Added – 'QC Action Plan' to 'update report to CQC Engagement meetings 6-weekly'
- Updated - Quality Account update to QC 4-monthly

Finance Committee

PR4: Failure to maintain financial sustainability

Threat: A reduction in funding ...

Gaps in control

- Added – 'Increasing non-recurrent delivery of FIP'

Plans to improve control

- Added – 'Full review of ability to improve recurrent delivery of FIP'
 - SLT Lead: Chief Financial Officer
 - Timescale: end January 2020
- Added – 'Budget setting process for 2020/21 to include enhanced confirm and challenge'
 - SLT Lead: Chief Financial Officer
 - Timescale: end March 2020

Sources of assurance

- Updated – 'Alliance progress report to FC Oct'18' replaced with 'ICS/ICP update report to FC'

Threat: CCGs' QIPP initiatives may reduce demand and therefore income ...

Gaps in control

- Added – 'Outpatient transformation inability to reduce costs in line with QIPP target'

Plans to improve control

- Added – 'Renegotiate 2020/21 contract baseline with CCG'
 - SLT Lead: Chief Financial Officer
 - Timescale: end March 2020

PR6: Breakdown of strategic partnerships

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

Primary risk controls

- Updated - 'ICS' – added to 'Quarterly performance review with NHSI'

People, OD and Culture Committee

PR3: Critical shortage of workforce capacity and capability

Threat: Demographic changes (including the impact of Brexit and an ageing workforce) and shifting cultural attitudes to careers...

Plans to improve control

Actions added:

- 'Implement Scheme Pays guidance for tax liability incurred in 2019/20'
 - SLT Lead: Deputy Director of HR
 - Timescale: end of January 2020 – action complete
- 'Review the position following the outcome of the general election'
 - SLT Lead: Deputy Director of HR
 - Timescale: end of January 2020 – action complete
- 'Review approaches to mitigating the gap in control following receipt of guidance from HMRC'
 - SLT Lead: Deputy Director of HR
 - Timescale: end of March 2020

Threat: A significant loss of workforce productivity ...

Plans to improve control

Action completed:

- Re-tender counselling service contract

Risk Committee

PR7 - Major disruptive incident

Threat: A large-scale cyber-attack that shuts down the IT network ...

Primary risk controls

- Added – 'Periodic phishing exercises carried out by 360 Assurance'

Gaps in control

- Removed - 'Lack of port control presenting risk to network security'
- 'Windows 2003/2008 servers unsupported from January 2020'
- Added – 'Cyber Security Assurance Programme plan not fully developed and implemented'

Plans to improve control

- Action removed - 'Development of white list and restriction imposed on unauthorised devices - Phase 2'

**Healthier Communities,
Outstanding Care**

- Action removed - 'Sophos encryption software rollout'
- Action added - 'Cyber Security Assurance Programme plan'
 - SLT Lead – Director of Corporate Affairs
 - Timescale – end of January 2020

Threat: A critical supply chain failure ...

- Removed from threat text – 'including the potential impact of Brexit on suppliers'

Primary risk controls

- Removed - 'EU Exit Preparation Working Group'

Sources of assurance

- Updated - 'Procurement Annual Report to Audit & Assurance Committee'

Gap in Assurance

- Removed - 'Lack of further guidance on the implications of a no-deal Brexit'

Assurance Rating

- 'Inconclusive' replaced with 'Positive'