

**Board of Directors Meeting in Public**

<b>Subject:</b>	Board Assurance Framework	<b>Date:</b> 7 <sup>th</sup> May 2020		
<b>Prepared By:</b>	Neil Wilkinson, Risk and Assurance Manager			
<b>Approved By:</b>	Shirley Higginbotham, Director of Corporate Affairs			
<b>Presented By:</b>	Richard Mitchell, Chief Executive Officer			
<b>Purpose</b>				
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.			<b>Approval</b>	✓
			<b>Assurance</b>	
			<b>Update</b>	
			<b>Consider</b>	
<b>Strategic Objectives</b>				
<b>To provide outstanding care</b>	<b>To promote and support health and wellbeing</b>	<b>To maximise the potential of our workforce</b>	<b>To continuously learn and improve</b>	<b>To achieve better value</b>
✓	✓	✓	✓	✓
<b>Overall Level of Assurance</b>				
	<b>Significant</b>	<b>Sufficient</b>	<b>Limited</b>	<b>None</b>
		✓		
<b>Risks/Issues</b>				
<b>Financial</b>	Principal Risk 4 concerns achievement of the Trust’s financial strategy.			
<b>Patient Impact</b>	Principal Risk 1 concerns the delivery of safe and effective patient care.			
<b>Staff Impact</b>	Principal Risk 3 concerns staff capability and capacity.			
<b>Services</b>	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.			
<b>Reputational</b>	Principal Risk 5 concerns the implementation of evidence based improvement and innovation.			
<b>Committees/groups where this item has been presented before</b>				
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.				
<b>Executive Summary</b>				
<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"> <li>PR1 Significant deterioration in standards of safety and care</li> <li>PR2 Demand that overwhelms capacity</li> <li>PR3 Critical shortage of workforce capacity and capability</li> <li>PR4 Failure to achieve the Trust’s financial strategy</li> <li>PR5 Inability to initiate and implement evidence-based improvement and innovation</li> <li>PR6 Working more closely with local health and care partners does not fully deliver the required benefits</li> <li>PR7 Major disruptive incident</li> </ul> <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.

Schedule of BAF reviews since last received by the Board of Directors on 6<sup>th</sup> February

- Quality Committee: PR1 and PR2 – 18<sup>th</sup> March, plus virtual approval of further changes by the Committee Chair in April
- Finance Committee: PR4 – 30<sup>th</sup> March and 27<sup>th</sup> April
- People, Culture and Improvement Committee: PR3 – 30<sup>th</sup> March, issued to Committee chair for virtual approval for the further changes to PR3 and the new PR5 Risk Committee – PR7: 10<sup>th</sup> February and 9<sup>th</sup> March – PR6 and PR7: 14<sup>th</sup> April

As agreed at the January Board workshop the title of PR6 has been changed to "Working more closely with local health and care partners does not fully deliver the required benefits", and the Risk Committee became lead committee from April. The threats, however, remain the same.

PR5 was re-written following the January Board workshop so all of the details have been newly added.

At the January Board workshop it was agreed that the consequence element of the risk ratings for PR1, 2, 3 and 4 were to be reduced from 1<sup>st</sup> April. These have subsequently been increased to reflect current events, and to clarify the changes evident in the graphs, dates that the 'current exposure' consequence ratings apply are detailed on the BAF.

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).

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: Significant deterioration in standards of safety and care**

Risk rating – current exposure

- Likelihood – increased from 3: Possible to 5: Very likely
- Consequence – increased from 3: Moderate to 4: High
- Risk rating – increased from 9: Medium to 20: Significant

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

Primary risk controls

- Updated – 'for incidents and SIs' added to 'Scoping and sign-off process'

Sources of assurance

- Removed - Annual Organisational Audit & Statement of Compliance Board Aug '18
- Added - Significant Risk Report to RC monthly

*Threat: An outbreak of infectious disease...*

Added – “Coronavirus” added to “...such as pandemic influenza; ...”

Gap in Assurance / Action to address gap

- Added - Unquantifiable impact on activity and staffing due to Coronavirus
- Added - Lack of ventilators, ITU beds and PPE
- Added - Issues with oxygen capacity/flow

Assurance rating

Updated – ‘Positive’ replaced with ‘Inconclusive’

**PR2: Demand that overwhelms capacity**

Risk rating – current exposure

- Likelihood – increased from 4: Somewhat likely to 5: Very likely
- Consequence – increased from 3: Moderate to 4: High
- Risk rating – increased from 12: High to 20: Significant

*Threat: Exponential growth in demand for care...*

Removed – Exponential

Added – or a reduction in capacity to meet current and future demand due to the impact of COVID-19

Primary risk controls

- Added - COVID-19 Incident planning and governance process

Gaps in control

- Updated – ‘Sustainability of some specialties in relation to workforce’ replaced with ‘National workforce supply in some specialties’

Sources of assurance

- Added - Significant Risk Report to RC monthly
- Added - Incident Control Team governance structure to TMT Mar '20

Gap in Assurance / Action to address gap

- Action complete - Quality Committee to receive a regular report regarding system controls to provide assurance - 2019/20 system winter plan
- Added - Impact on cancer surgery and screening programmes due to COVID-19

Assurance rating

Updated – ‘Positive’ replaced with ‘Inconclusive’

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

Sources of assurance

Updated – date added (Aug '19) to “Drivers of demand’ discussed at Board

Gap in Assurance / Action to address gap

- Action complete - Further detail required regarding drivers of demand from the ICS

**People, Culture & Improvement Committee**

**PR3: Critical shortage of workforce capacity and capability**

Risk rating – current exposure

- Likelihood – increased from 4: Somewhat likely to 5: Very likely
- Consequence – increased from 3: Moderate to 4: High
- Risk rating – increased from 12: High to 20: Significant

*Threat: Demographic changes....*

Threat description amended - “(including the impact of Brexit and an ageing workforce)” replaced with “(including a significant impact of external factors and/or unforeseen circumstances)”

Primary risk controls

- Added - Daily COVID-19 workforce group and sub-groups to address related concerns

Plans to improve control

- Action ‘Maximising our Potential 3-year Plan (Attract and Retain) development in progress’
  - Timescale amended to end of July 2020
- Action ‘Review approaches to mitigating the gap in control following receipt of guidance from HMRC’
  - Timescale amended to end of June 2020

Action added:

- Development of the People, Culture and Improvement Strategy (Health & Wellbeing, Resourcing and Equality & Inclusion) 2020-23
  - SLT Lead: Director of People
  - Timescale: end of June 2020

Gap in Assurance / Action to address gap

- Added - Staff becoming infected, leading to increased sickness absence
- Added - Staff working in unfamiliar roles
- Added - Staff mental health as a result of psychological trauma

Assurance rating

Updated – ‘Positive’ replaced with ‘Inconclusive’

*Threat: A significant loss of workforce productivity ...*

Primary risk controls

- Added - Freedom to Speak Up Guardian and champion networks

Plans to improve control

- Action ‘Maximising our Potential 3-year Plan (Engage, Develop, Nurture, Perform) development in progress’
  - Timescale amended to end of July 2020

Action added:

- Development of the People, Culture and Improvement Strategy (Leadership & Culture, Training, Education & Development and Quality & Improvement) 2020-23
  - SLT Lead: Director of People
  - Timescale: end of June 2020

## Sources of assurance

- Added - Significant Risk Report to RC monthly

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

This principal risk was re-written following the January Board workshop so all of the details have been newly added.

**Finance Committee****PR4: Failure to achieve the Trust's financial strategy**

## Risk type

- "Patient harm" replaced with "Regulatory action"

*Threat: A reduction in funding....*

Threat description amended - "(including potential impact of a general election and Brexit or if ICS/ICP/CCG financial position deteriorates and financial special measures status is imposed by NHSE)" replaced with "or change in financial trajectory or unexpected event"

## Primary risk controls

- Added - Executive oversight of commitments
- Added - All costs and required cash associated with COVID-19 will be funded until 31/7/20

## Gaps in control

- Amended - "Increasing non-recurrent delivery of FIP" replaced with "Lack of identification of opportunities for recurrent delivery of FIP"
- Removed - 2019/20 System financial plan under-delivery

## Plans to improve control

- Action complete - Continue to work in partnership with NHSI to submit in-year applications for cash support
- Action complete - ICS plan to be completed with agreed levers for change and activity/income and cost reductions
- Action amended – "Following receipt of NHSI indication of future trajectories, the Financial Strategy is to be reviewed and updated. (If the 4-year plan is accepted, liquidity / cash support is secured.)" replaced with "Full receipt of required cash (FRF) following delivery of NHSI required future trajectories"
  - Timescale: post COVID-19
- Updated – "within financial planning for 2020/21" added to "Full review of ability to improve recurrent delivery of FIP"
  - Timescale: updated to post COVID-19
- Updated - Budget setting process for 2020/21 to include enhanced confirm and challenge
  - Timescale: updated to post COVID-19
- Action added – Discussions with NHSI on 2019/20 funding, including COVID-19 costs
  - SLT Lead: Chief Financial Officer
  - Timescale: end April 2020

Sources of assurance

- Added - all costs associated with COVID-19 will be met by the Government

*Threat: CCGs' QIPP initiatives may reduce demand ....*

Threat description amended - "CCGs' QIPP initiatives may reduce demand and therefore income at a faster rate than the Trust can reduce costs" replaced with "System transformation requiring undeliverable cost reductions"

Plans to improve control

- Updated - Renegotiate 2020/21 contract baseline with CCG
  - Timescale: updated to post COVID-19

**Risk Committee**

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

Risk rating – current exposure

- Likelihood – increased from 2: Unlikely to 3: Possible
- Risk rating – increased from 4: Low to 6: Low

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

- Added – "mental" to become "...inability to influence further integration of services across acute, mental, primary and social care"

Primary risk controls

- Added - Joint development of plans at ICS level
  - Finance Directors Group
  - ICS Planning Group
  - Alignment of Trust, ICS and ICP plans
  - Trust CFO role as ICS Finance Director

Plans to improve control

- Action added – ICS governance review to include:
  - Roles and responsibilities of the ICS Board
  - Governance manual
  - SLT Lead: Chief Executive Officer
  - Timescale: TBC

Sources of assurance

- Added - Significant Risk Report to RC monthly

Gap in Assurance / Action to address gap

- Removed - Continued misalignment in organisational priorities
- Added - Delay in delivering the benefits of system working due to the impact of COVID-19

*Threat and Opportunity: “Clinical service strategies and/or commissioning intentions...”*

- Added – “and/or reduce health inequalities”

**PR7 - Major disruptive incident**

Risk rating – current exposure

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

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

Primary risk controls

- Added - Spam and malware email notifications circulated

Gaps in control

- Removed – ‘Cyber Security Assurance Programme plan not fully developed and implemented’

Plans to improve control

- Action complete - Finalise Cyber Security Assurance Programme plan

*Threat: A critical infrastructure failure ...*

Plans to improve control

- Action complete - CSSD options appraisal to determine how to continue to provide the service
- Action added - ‘Surgery division to present the preferred CSSD service provision option to the Executive team’
  - SLT Lead – Divisional General Manager – Surgery
  - Timescale – end of May 2020

Sources of assurance

- Added - WSP report – hard FM independent audit

Gap in Assurance

- Gap added – ‘Insufficient assurance of hard and soft FM contractor performance’
- Action added – ‘Review outcomes of hard and soft FM assurance reports’
  - SLT Lead – Associate Director of Estates & Facilities
  - Timescale – end of April 2020
- Added - Delays to infrastructure works due to Coronavirus restrictions:
  - Renal Unit roof
  - MCH fire works
  - Newark T&O Surgery

*Threat: A critical supply chain failure ...*

Sources of assurance

- Added - Oxygen Supply Assurance report to Incident Control Team ‘Apr 20



Gap in assurance

- Added - Unknown impact on supply chain as a result of the Coronavirus outbreak
- Added - Potential for fraud:
  - Supply of substandard equipment/goods from alternative suppliers
  - Inappropriate approval of requisitions due to unavailability of relevant authorised signatories and/or remote working