The Queen Elizabeth Hospital King's Lynn
NHS Foundation Trust

Meeting:	Board of Directors (in Public)		
Meeting Date:	6 July 2021	**Agenda item:**	14
Report Title:	Trust Board Report - Board Assurance Framework (BAF) - Engagement KSO 3 & 4		
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Implications

Link to key strategic objectives
[highlight which KKSO(s) this recommendation aims to support]

KSO 1	KSO 2	**KSO 3**	**KSO 4**	KSO 5	KSO 6
Safe and compassionate care	*Modernise hospital and estate*	***Staff engagement***	***Partnership working, clinical and financial sustainability***	*Healthy lives staff and patients*	*Investing in our staff*

Board assurance framework	KSO 3 KSO 4	
Significant risk register	There are currently no significant risks aligned to KSO 3 or KSO 4	
	Y/N	If Yes state impact/ implications and mitigation
Quality	Y	
Legal and regulatory	Y	
Financial	Y	

Assurance route

Previously considered by:	Assurance and Risk Executive Group (A&REG) People Committee (KSO 3) Finance and Activity Committee (KSO 4)

Executive summary

Action required: *[highlight **one** only]*	Approval	Information	Discussion	**Assurance**	Review

Purpose of the report:	The Board Assurance Framework (BAF) is to be received by the Board for assurance.
Summary of Key issues:	The Trust's BAF reflects the 6 Key Strategic Objectives identified as part of the Corporate strategy. Each of the Key Strategic Objectives has a 'Principal Risk' and Significant Risks (those scoring 15 or above) aligned to the most relevant Key Strategic Objective. Risks aligned to each Engagement Key Strategic Objectives 3 and 4 are overseen by Board Committees as shown below: • KSO 3 – ENGAGEMENT People Committee • KSO 4 – ENGAGEMENT Finance & Activity Committee Each one page BAF section includes the Key Strategic Objective, relevant risk appetite statements, target risk ratings, Principal Risk, aligned

	Significant Risks, rationale for principal risk rating, controls and assurances, gaps in assurance, emerging risks and opportunities. The information included on each one page BAF section is reviewed and updated every month, overseen by the relevant Executive Director. At the A&REG meeting on 15 June, approval was given for downgrading one of the Principal Risks for KSO 3 (Risk ID 2758: *Staff Engagement*). Having previously been graded at Major (4) x Possible (3) = 12, it was agreed that Risk 2758 would be regraded at Moderate (3) x Possible (3) = 9, following the good uptake of the Leading with Values and Values into Action workshops. Further leadership and development activities are also in planning for delivery in 2021/22. Updates for KSO 3; 1. Principal Risks: • Principal Risk 2758 was re-graded as 3 x 3 = 9. 2. Future Opportunities: • Equality, Diversity and Inclusion work programme 3. Assurance: • 2021/2022 Staff Engagement Programme in place and implementation underway at Trust and local levels • Culture of inclusion being created with a focus on fairness and equity Updates for KSO 4; 1. Rationale for Current Risk Score: • On plan position delivered for M1 of FY21/22 with delivery of CIP on plan for M1 also • The Trust delivered an in month CIP programme of £0.2m against a plan for H1 of £2.5m • The Trust has agreed a break-even position for H1 of FY21/22 with system partners. • The Trust's CIP programme for FY21/22 has been planned for delivery of £6 million of CIP in year with a stretch target of £10 million in place. This is split into £2.5m for H1 and £3.5m for H2 2. Future opportunities: • Norfolk and Waveney Clinical strategy is in development, underpinned by development of QEH clinical strategy (which will be completed by September 2021).

	3. Assurance: • Monthly ICS updates to SLT / Board / Council of Governors • Norfolk and Waveney Hospitals Group Committees is in place and meeting monthly. Quarterly tri-Board meetings planned. 4. Controls in place: • The Trust is fully engaged in the developing Provider Collaboration discussions via the formally established Committees in Common (Norfolk and Waveney Hospitals Group Committees) in partnership with the three acute Trusts in Norfolk and Waveney. • Progress has been made in recent months with a Board approved mandate for moving forward with Provider Collaboration • A three-way Board meeting took place on 25 May 2021 and further discussions will take place at the forthcoming CiC meeting on 14 June 2021. A comprehensive workplan including realistic timescales will be developed. • Month 1 2021/22 underlying financial reporting is in line with the H1 financial plan for a breakeven position for H1. CIPs programme in place and delivered to plan for M1 The Principal risks have been reviewed and approved by the relevant Executive as well as at A® For KSO 3 Risk ID 2758 is now graded at 9, and Risk ID 2791 is graded at 12. For KSO 4 Risk ID 2759 is graded at 12.
Recommendation:	The Board is asked to: • Note the current position relating to the BAF and Significant Risks aligned to the BAF
Acronyms	BAF - Board Assurance Framework

KEY STRATEGIC OBJECTIVE 3 – ENGAGEMENT

EXECUTIVE OWNER: Deputy CEO
RESPONSIBLE COMMITTEE: People Committee
DATE LAST REVIEWED: June 2021
NEXT REVIEW SCHEDULED: July 2021

Strategic Objective
To strengthen staff engagement to create an open culture with trust at its centre

Risk Appetite
We have a **MODERATE** risk appetite for decisions taken in relation to workforce.

Initial Risk Rating: 4(C) x 3(L)= 12
Current Risk Rating:
3(C) x 3 (L) = 9 &
4(C) x 3(L) = 12
Target Risk Rating: 12-16
Risk Behaviour: CAUTIOUS

Principal Risk – 2758 (9)
There is a risk that Trust leaders may be unable to strengthen staff engagement and trust impacting on the development of an open culture at the Trust

Principal Risk – 2791 (12)
There is a risk that the underlying organisational culture impacts on the improvements that are necessary to patient and staff experience which will prevent QEH moving forward at the required pace. Specifically, there is a requirement for urgent and significant improvement in relation to staff attitudes and behaviours

Aligned Significant Risks
No Significant Risks currently aligned to this principal risk

Rationale for Current Risk Score

- No significant risks currently aligned to the achievement of this objective
- Highest response rate to National Staff Survey since 2017 (45%) – demonstrating improved engagement
- Improved results in 2020 National Staff Survey – improved in all 10 themes (statistically significant improvement in 9/10 areas) and overall staff engagement score improved
- Further external evidence of improved staff engagement and morale and culture in December 2020 CQC Report
- Improved results and response rates to the repeated Medical Engagement Survey & GMC survey results
- Strong focus on values, behaviours, kindness and fairness and good engagement with the Trust-wide Culture Transformation Programme
- Culture transformation programme underway , which commenced with leadership masterclasses, where a new approach to appraisal, recruiting with values and respectful resolution was launched

Emergent Risks

- Organisational culture (notably staff attitudes and behaviours)

Future Opportunities

- Local workforce and community engagement
- Culture transformation programme
- Equality, Diversity and Inclusion work programme

Assurance

- Improved response rates and results in (1) 2020 National Staff Survey and (2) latest and repeated Medical Engagement Survey and (3) improved GMC survey results
- 2021/2022 Staff Engagement Programme in place and implementation underway at Trust and local levels
- Evidence of a 'speak up' culture developing
- Culture of inclusion being created with a focus on fairness and equity

Controls in Place

- Trust-wide culture transformation programme underway – with new approach to appraisals, recruiting with values and respectful resolution launched
- Substantive recruitment to Director of Transformation and Improvement, Head of Organisational Culture and Head of Staff Engagement
- Strengthened emotional wellness support in place for staff with dedicated full-time clinical psychology and PTSD posts for staff. Recruitment underway for a third dedicated clinical psychologist for staff
- Trust-level and Divisional/Corporate Service action plans in place in response to the national Staff Survey results
- External Culture and OD work underway in Maternity and Radiology, with robust communication and engagement plans in place
- Culture perception survey to get baseline before culture transformation work underway
- Additional annual leave day (wellness day) for staff in 2021/22
- Over 400 leaders attended the 'Leading with values' masterclasses in April
- 25% of staff have signed-up to attend the 'Values into Action' workshops in May
- Recruitment underway for an Equality, Diversity & Inclusion Lead to join QEH's Culture Team
- Succession planning arrangements for the Trust's Freedom to Speak Up Guardian underway

Gaps in Control

- Improved mechanisms for engagement with staff side/unions to be agreed

Gaps in Assurance

- Performance against People KPIs (appraisal, mandatory training & sickness absence)

KEY STRATEGIC OBJECTIVE 4 – ENGAGEMENT

EXECUTIVE OWNER: Director of Strategy
RESPONSIBLE COMMITTEE: Finance & Activity Committee
DATE LAST REVIEWED: June 2021
NEXT REVIEW SCHEDULED: July 2021

Strategic Objective
To work with patients and system partners to improve patient pathways and ensure clinical and financial sustainability

Risk Appetite: We have a **HIGH** risk appetite for partnerships which may support and benefit the people we serve
We have a **HIGH** risk appetite for commercial gain whilst ensuring quality and sustainability for our service users.
We have a **MODERATE** risk appetite for financial/vfm risks which may grow the size of the organisation whilst ensuring we minimise the possibility of financial loss and comply with statutory requirements.

Initial Risk Rating: 4(C) x 3(L) = 12
Current Risk Rating: 4(C) x 3(L) = 12
Target Risk Rating: 8-12
Risk Behaviour: CAUTIOUS - OPEN (INFORMED)

Principal Risk – 2759 (12)
There is a risk that the Trust is unable to work effectively with patients and system partners to improve patient pathways. This could impact the Trust's ability to ensure clinical and financial sustainability

Aligned Significant Risks
None

Rationale for Current Risk Score

- On plan position delivered for M1 of FY21/22 with delivery of CIP on plan for M1 also
- The Trust delivered an in month CIP programme of £0.2m against a plan for H1 of £2.5m
- The Trust has agreed a break-even position for H1 of FY21/22 with system partners.
- The Trust's CIP programme for FY21/22 has been planned for delivery of £6 million of CIP in year with a stretch target of £10 million in place. This is split into £2.5m for H1 and £3.5m for H2
- Positive cash flow based on national process.
- Capital envelope across the ICS with prioritisation process across the system in place. Additional national capital has been secured for surge capacity, backlog maintenance, Urgent and Emergency Care improvements.

Emergent Risks

- Robust monitoring is required to ensure the recovery from COVID at a specialty level is aligned with the wider system response.
- Significant operational pressures being experienced due to a high number of 'medically fit for discharge' patients within the Trust's bed-base. A wider system response is required to assist with these pressures

Future Opportunities

- Model Hospital / GIRFT and opportunity to be assimilated
- Trust is active partner in ICS and able to influence system-wide decisions with financial and clinical impact
- Norfolk and Waveney Clinical strategy is in development, underpinned by development of QEH clinical strategy (which will be completed by September 2021).

Assurance

- Monthly ICS updates to SLT / Board / Council of Governors
- Norfolk and Waveney Hospitals Group Committees is in place and meeting monthly. Quarterly tri-Board meetings planned.
- SFIs and associated policies and procedures in place
- Positive cash flows due to national process

Controls in Place

- The Trust is fully engaged in the developing Provider Collaboration discussions via the formally established Committees in Common (Norfolk and Waveney Hospitals Group Committees) in partnership with the three acute Trusts in Norfolk and Waveney.
- Progress has been made in recent months with a Board approved mandate for moving forward with Provider Collaboration
- A three-way Board meeting took place on 25 May 2021 and further discussions will take place at the forthcoming CiC meeting on 14 June 2021. A comprehensive workplan including realistic timescales will be developed.
- National guidance being followed in the absence of in-year control totals and national suspension of contracting and annual planning process. Monthly updates provided to Finance and Activity Committee on national guidance and the Trust's response
- Month 1 2021/22 underlying financial reporting is in line with the H1 financial plan for a breakeven position for H1. CIPs programme in place and delivered to plan for M1
- Capital expenditure envelope is based on ICS allocation with prioritisation process in place. Additional national capital has been secured for surge capacity, backlog maintenance, Urgent and Emergency Care improvements

Gaps in Control

- Operational pressures require escalation and formalised through a 'Board to Board' with relevant system partners.

Gaps in Assurance

- A Refresh is required of the Long Term Financial Model and 5 year business plan.
- Significant work still to do to drive productivity within Trust and wider ICS.
- Improvements required within capital planning and capital programme management.