The Queen Elizabeth Hospital King's Lynn
NHS Foundation Trust

Meeting:	Board of Directors (in Public)		
Meeting Date:	5 April 2022	**Agenda item:**	15
Report Title:	Trust Board Report - Board Assurance Framework (BAF) - Engagement KSO 3 & 4		
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Executive Sponsor:	Laura Skaife-Knight – Deputy CEO Carly West-Burnham – Director of Strategy and Integration		

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	Risks in relation to the quality of working culture and staff engagement are aligned to KSO 3
Legal and regulatory	Y	Risks in relation to legal and regulatory matters concerning ICS planning are aligned to KSO 4
Financial	Y	Risks in relation to the overall financial position of the Trust are aligned to KSO 4

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. Updates for KSO 3; One of the Principal Risks for KSO 3 was downgraded in-month. Risk ID 2791 was downgraded with sponsorship from the appropriate Executive Directors, and following discussion at A&REG in March. For more information, please see the Significant Risk Report. 1. Current grading for Principal Risk: • 2791: Moderate (3) x Possible (3) = 9. 2. Controls in Place: • Recruited a new Lead Freedom to Speak Up Guardian • Team QEH (staff) Awards ceremony took place on 17 March 2022 and nominations for 2022 awards launched on the same day • Further investments in staff engagement beyond February package of benefits, including on Employee Appreciation Day (4 March 2022) • Regular staff briefing sessions and listening events provide staff a safe space to share concerns and be heard (including Schwartz Rounds; with the latest session held 8 March 2022) • QEH's third Leadership Summit took place on 15 March 2022 and focussed on teamwork, resilience and inclusion; with a new leadership development programme being developed for launch April 2022 • Trust reviewing 2021 National Staff Survey results, ahead of publication at the end of March 2022 – and in the process of developing a refreshed Staff Engagement Programme for 2022/23 with input from Divisional Leadership Teams • In February 2022, introduced a new 'My Reality' Series to create a safe space for stories to be shared by guests with the aim of providing a platform of education, awareness and to challenge stereotypes as part of our Equality, Diversity and Inclusion work programme, with the first session about eating disorders, with the next session relating to racial discrimination. 3. Assurance: • Much positive feedback from Team QEH regarding the package of staff benefits communicated in February 2022 – including extension of free car parking, introduction of hot food at night and discounted gym membership

	Updates for KSO 4;
	
	1. Rationale for Current Risk Score:
	
	• M11 result was a small surplus of £212k, bringing the YTD surplus to £414k
	• The Trust delivered an in month CIP programme for M11 of £672k which is better than plan by £87k. The CIP target for H2 is £3.5m and the Trust remains on plan to deliver the annual CIP target of £6m
	• In light of a number of immediate pressures, including changes in senior leadership and the management of immediate operational deliver of care, it has been decided that the three Trusts will not progress with any revisions to the structural governance of the provider collaborative at this stage including appointment to a Group Chair and a Group Chief Executive. The work of the Norfolk and Waveney Hospitals Group Committees with be refocused to ensure delivery of critically important outcomes, including the requirements of the 2022/23 planning guidance and development of collective solutions to problems common to all three Trusts, including long waits for elective care, urgent and emergency care, financial deficits and workforce.
	• Work will be undertaken to complete the following actions;
	  ○ Development of a collaboration plan around the key challenges facing the Trusts, utilising the NHSE Provider Collaborative Toolkit as a reference and the information already within the draft Case for Change
	  ○ Development of a work plan for the short/medium/long term providing clarity on key priorities and deliverables which will inform the agendas for the N&WHGC and enable better monitoring of progress
	  ○ Reshape the N&WHGC terms of reference and schemes of delegation to facilitate and enable more effective group decision making, utilising best practice from elsewhere
	  ○ Actively engage with wider ICS system members to develop effective Alliance/Place arrangements
	  ○ Develop an effective comms and engagement plan for 2022/23 with a clear focus on stakeholder management
	.
	2. Controls in place:
	
	• In light of national guidance, the trust boards of the three acute trusts in Norfolk and Waveney have agreed to the implementation of a Group Model (Shared Leadership).
	• Further work has been started, driven by the Norfolk and Waveney Hospitals Group Committees, to develop and agree the underpinning governance arrangements which will enable delivery of a group model. This includes clear articulation of the case for change, workplan and key deliverables.
	• The Trust is currently working on its medium term financial plan which covers the next five years
	• Month 11 2021/22 financial reporting is better than the H2 financial

	plan (dated 11 Nov 2021 and shared with the Board), and will deliver a breakeven or better position at the end of FY21/22. The M11 YTD position is behind the NHSI Plan as submitted on 25 November 2021, but this is due to the phasing of the plan, which remains a breakeven position. YTD actuals show a £414k surplus. The Principal risks have been reviewed and approved by the relevant Executive as well as at A&REG. Their grading remains unchanged. For KSO 3 Risk ID 2758 is graded at 9, and Risk ID 2791 is now also graded at 9. 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 ICS – Integrated Care System

KEY STRATEGIC OBJECTIVE 3 – ENGAGEMENT

EXECUTIVE OWNER: Deputy CEO
RESPONSIBLE COMMITTEE: People Committee
DATE LAST REVIEWED: March 2022
NEXT REVIEW SCHEDULED: April 2022

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
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 (9)
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
- Significant assurance (with some improvement required) for Staff Engagement Internal Audit Report which was finalised early September 2021.
- QEH joined Phase 2 of the Rainbow Badge pilot scheme and were awarded bronze for our progress to date (with a focus on inclusive policies).
- With 45.3% in 2021 improved response rate to National Staff Survey for third consecutive years
- 2022 CQC Report for QEH – external evidence and endorsement that staff felt respected, supported and valued and recognition that the Trust has an extensive Staff Engagement Programme to maintain staff wellbeing, recognising the impact of COVID-19 on staff and their emotional resilience. The Report positively describes the open culture were patients, their families and staff could raise concerns without fear and that the Trust has a clear plan for internal and external engagement and systems and processes in place to gauge how people felt in real time. The Report also describes that the Trust promotes Equality and Diversity in daily work and provides opportunities for career development and that leaders and staff activity and openly engage with patients, staff, equality groups the public and local organisations to plan and manage services.
- Much positive feedback from Team QEH regarding the package of staff benefits communicated in February 2022 – including extension of free car parking, introduction of hot food at night and discounted gym membership

Controls in Place
- Following conclusion of phase 2 of the Trust-wide culture transformation programme, scoping is underway for phase 3 of the programme
- Recruited a new Lead Freedom to Speak Up Guardian
- Team QEH (staff) Awards ceremony took place on 17 March 2022 and nominations for 2022 awards launched on the same day
- Further investments in staff engagement beyond February package of benefits, including on Employee Appreciation Day (4 March 2022)
- Ongoing bespoke culture and improvement programmes ongoing in Radiology, Maternity and Ophthalmology and methods to measure impact of improvement and culture work in each
- Regular staff briefing sessions and listening events provide staff a safe space to share concerns and be heard (including Schwartz Rounds; with the latest session held 8 March 2022)
- QEH's third Leadership Summit took place on 15 March 2022 and focussed on teamwork, resilience and inclusion; with a new leadership development programme being developed for launch April 2022
- Trust reviewing 2021 National Staff Survey results, ahead of publication at the end of March 2022 – and in the process of developing a refreshed Staff Engagement Programme for 2022/23 with input from Divisional Leadership Teams
- In February 2022, introduced a new 'My Reality' Series to create a safe space for stories to be shared by guests with the aim of providing a platform of education, awareness and to challenge stereotypes as part of our Equality, Diversity and Inclusion work programme, with the first session about eating disorders, with the next session relating to racial discrimination.
- Positive developments with Equality, Diversity and Inclusion, including the first Rainbow Café, over 150 staff pledges as part of the 'See me First' badge launch, support for the regional Anti-Racism strategy, plans for a 'Celebrating Team QEH Week' 22-26 November, which includes a Diversity Day and a Board development session with NHSI/E leads on the regional Anti-Racism strategy

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: March 2022
NEXT REVIEW SCHEDULED: April 2022

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

- The H2 financial plan was submitted to the ICS in November and is for a breakeven position for H2 (and for all of FY21/22).
- M11 result was a small surplus of £212k, bringing the YTD surplus to £414.
- The Trust delivered an in month CIP programme for M11 of £672k which is better than plan by £87k. The CIP target for H2 is £3.5m and the Trust remains on plan to deliver the annual CIP target of £6m
- The Trust has agreed a break-even position for H1 of FY21/22 with system partners and has met that target.
- 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.
- Agreed way forward in relation to acute Provider Collaboration with clear high-level deliverables and timescales.
- In light of a number of immediate pressures, including changes in senior leadership and the management of immediate operational deliver of care, it has been decided that the three Trusts will not progress with any revisions to the structural governance of the provider collaborative at this stage including appointment to a Group Chair and a Group Chief Executive. The work of the Norfolk and Waveney Hospitals Group Committees with be refocused to ensure delivery of critically important outcomes, including the requirements of the 2022/23 planning guidance and development of collective solutions to problems common to all three Trusts, including long waits for elective care, urgent and emergency care, financial deficits and workforce.
- Work will be undertaken to complete the following actions;
  - Development of a collaboration plan around the key challenges facing the Trusts, utilising the NHSE Provider Collaborative Toolkit as a reference and the information already within the draft Case for Change
  - Development of a work plan for the short/medium/long term providing clarity on key priorities and deliverables which will inform the agendas for the N&WHGC and enable better monitoring of progress
  - Reshape the N&WHGC terms of reference and schemes of delegation to facilitate and enable more effective group decision making, utilising best practice from elsewhere
  - Actively engage with wider ICS system members to develop effective Alliance/Place arrangements
  - Develop an effective comms and engagement plan for 2022/23 with a clear focus on stakeholder management

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
- Establishment of Governors Forum to enable consistent and aligned communication with the Council of Governors at all three Trusts in relation to development of greater acute provider collaboration.
- 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 Acute Provider Collaboration at the 6 July and 2 November 2021 Private Board meetings.
- In light of national guidance, the trust boards of the three acute trusts in Norfolk and Waveney have agreed to the implementation of a Group Model (Shared Leadership).
- Further work has been started, driven by the Norfolk and Waveney Hospitals Group Committees, to develop and agree the underpinning governance arrangements which will enable delivery of a group model. This includes clear articulation of the case for change, workplan and key deliverables.
- Aligned to the development of the Norfolk and Waveney Clinical Strategy, the Trust has developed its Clinical Strategy following robust engagement with the Divisional teams. The Clinical Strategy was ratified at the Trust Board on 1 February 2022 and will form the basis of the Trust's contribution to an acute Clinical Strategy across the three acute providers within Norfolk and Waveney.
- 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 11 2021/22 financial reporting is better than the H2 financial plan (dated 11 Nov 2021 and shared with the Board), and will deliver a breakeven or better position at the end of FY21/22. The M11 YTD position is behind the NHSI Plan as submitted on 25 November 2021, but this is due to the phasing of the plan, which remains a breakeven position. YTD actuals show a £414k surplus.
- 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

- The Trust is currently working on its medium term financial plan which covers the next five years
- Significant work still to do to drive productivity within Trust and wider ICS.
- Improvements required within capital planning and capital programme management.