The Queen Elizabeth Hospital King's Lynn
NHS Foundation Trust

Meeting:	Board of Directors (In Public)		
Meeting Date:	2 February 2021	**Agenda item:**	18
Report Title:	Trust Board Report - Board Assurance Framework (BAF) - Engagement KSO 3 & 4		
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Executive Sponsor:	Laura Skaife-Knight, Deputy CEO Chris Benham, Director of Finance		

Implications					
Link to key strategic objectives *[highlight which KKSO(s) this recommendation aims to support]*					
KSO1	KSO2	**KSO3**	**KSO4**	KSO5	KSO6
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	2759	
	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 (AREG) Board Sub - Committees

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: • KSO3 – ENGAGEMENT People Committee • KSO4 – 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. A report was received in October 2020 from Grant Thornton in relation to the Internal audit that was undertaken in relation to the Board Assurance Framework at the Trust and they concluded that they were Significantly assured with some improvement required. The recommendations from this report will be incorporated into the BAF and the Committee is requested to note the first change which is the separation of the 'Controls in Place' section and the 'Assurance' section. Updates for KSO 3; 1. Assurance; • Work underway in response to 2020 National Staff Survey results to (1) scope the 2021/22 Staff Engagement Programme and (2) apply for Charitable Funds to support its delivery • Over 200 staff attended Civility Saves Lives training • Internal audit review re: Speak Up returned as 'Partial assurance' – with learning opportunities which will further strengthen our programme of work going in 2021/22 • Strong response to 2020 National Staff Survey against backdrop of COVID-19 (45% versus >50% target), Staff Pulse checks carried out quarterly and Medical Engagement Survey repeated December 2020/January 2021 2. Rationale for Current Risk Score; • Improved response rate to 2020 National Staff Survey – demonstrating engagement is improving (45% response rate in 2020 vs 42% in 2019) • Clear evidence of improved staff engagement and morale in 2020 CQC Report • Strong focus on values, behaviours and kindness • Culture transformation programme in place • Strengthened health and wellbeing programme • Substantive staffing arrangements for Staff Engagement, Events and Culture under development 3. Controls in Place; • Trust-wide culture transformation programme scoped (Values into Action) and phase 1 underway, which includes • Substantive recruitment of Director of Transformation and Improvement • Staff ideas scheme funded for remainder of 2020/21, and application for Charitable Funding to support 2021/22 programme going to January 2021 Charitable Fund Committee • Culture and OD intervention for specific services/areas in response to CQC & staff feedback • Bespoke culture programme for Maternity Services under development

	• External stakeholder perception survey completed (feedback to be shared and action plan presented at Board Development Seminar in January 2021) Updates for KSO 4; 1. Rationale for Current Risk Score • Month 9 2020/21 position delivered in line with the financial plan as submitted on 22 October 2020 and updated on 18 November 2020 as part of the revised deficit for the year of £1.9m (£1m improvement). 2. Controls in Place • Month 9 2020/21 financial reporting in line with the revised financial plan of £1.9m CIPs programme in place that have been assessed against any potential COVID impacts. All schemes have been assessed against the current national guidance and requirements and fully assessed for quality impact The Principal risks have been reviewed and approved by the relevant Executive as well as at AREG; For KSO3 Risk ID 2758 is one of the Principal Risks rated 12 and Risk ID 2791 is also rated 12. For KSO4 Risk ID 2759 is the Principal Risk rated 16.
Recommendation:	The Board of Directors 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: January 2021
NEXT REVIEW SCHEDULED: February 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:
4(C) x 3(L) = 12
Target Risk Rating: 12-16
Risk Behaviour: CAUTIOUS

Principal Risk – 2758 (12)
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
- Improved response rate to 2020 National Staff Survey – demonstrating engagement is improving (45% response rate in 2020 vs 42% in 2019)
- Clear evidence of improved staff engagement and morale in 2020 CQC Report
- Freedom to Speak up arrangements strengthened including recruitment of 18 Freedom to Speak up Champions
- Strong focus on values, behaviours and kindness
- Culture transformation programme in place
- Strengthened health and wellbeing programme
- Substantive staffing arrangements for Staff Engagement, Events and Culture under development

Emergent Risks
- Medical engagement
- Medical leadership capacity to deliver improvements
- Staff morale and wellbeing relating to COVID-19 particularly amongst BAME staff group
- Organisational culture (notably staff attitudes and behaviours)

Future Opportunities
- Local workforce and community engagement
- Culture transformation programme

Assurance
- Work underway in response to 2020 National Staff Survey results to (1) scope the 2021/22 Staff Engagement Programme and (2) apply for Charitable Funds to support its delivery
- Over 200 staff attended Civility Saves Lives training
- Induction and on boarding programme for staff who transferred to QEH following acquisition of the BMI Sandringham Hospital
- Internal audit review re: Speak Up returned as 'Partial assurance' – with learning opportunities which will further strengthen our programme of work going in 2021/22
- Internal audit review of Staff Engagement underway, with fieldwork to commence March/April 2021
- Strong response to 2020 National Staff Survey against backdrop of COVID-19 (45% versus >50% target), Staff Pulse checks carried out quarterly
  and Medical Engagement Survey repeated December 2020/January 2021

Controls in Place
- Trust-wide culture transformation programme scoped (Values into Action) and phase 1 underway, which includes
- Board capacity and succession planning in place. Recruitment for permanent Chief Nurse & Director of People underway
- Substantive recruitment of Director of Transformation and Improvement
- Menopause awareness launched across organisation, with the development of a Menopause Policy and Business Case for specialist nurses to support patients and staff going to the January 2021 Charitable Fund Committee
- Staff ideas scheme funded for remainder of 2020/21, and application for Charitable Funding to support 2021/22 programme going to January 2021 Charitable Fund Committee
- Head of Culture in post and substantive Head of Staff Engagement and Events to be appointed by early 2020
- Culture and OD intervention for specific services/areas in response to CQC & staff feedback
- Bespoke culture programme for Maternity Services under development
- First QEH Leadership Conference planned for March 2021
- External stakeholder perception survey completed (feedback to be shared and action plan presented at Board Development Seminar in January 2021)

Gaps in Control and Assurance
- Medical leadership not robust
- Medical engagement in improvement activities not evidenced
- Performance against People KPIs (appraisal, mandatory training & sickness absence)
- Mechanisms for engagement with some staff groups e.g. junior doctors to be further developed
- Improved mechanisms for engagement with staff side/unions to be agreed

KEY STRATEGIC OBJECTIVE 4 – ENGAGEMENT

EXECUTIVE OWNER: Finance Director
RESPONSIBLE COMMITTEE: Finance & Activity Committee
DATE LAST REVIEWED: January 2021
NEXT REVIEW SCHEDULED: February 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 4(L) = 16
Target Risk Rating: 8-12
Risk Behaviour: CAUTIOUS - OPEN (INFORMED)

Principal Risk – 2759 (16)
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
No Significant Risks currently aligned to this principal risk

Rationale for Current Risk Score
- Surplus position delivered for 2019/20 with full delivery of CIP and high level of recurrent schemes.
- Month 9 2020/21 position delivered in line with the financial plan as submitted on 22 October 2020 and updated on 18 November 2020 as part of the revised deficit for the year of £1.9m (£1m improvement).
- Positive cash flow based on national process.
- Capital envelope across the STP 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
- Improvement of £1m to the Trust's financial position in the last quarter of 2020/21 to be monitored through Finance and Activity Committee.

Assurance
- Monthly STP updates to Board.
- Regular Board to Board meetings with CCG and acute partners.
- Development and progression of Committees in Common
- SFIs and associated policies and procedures in place
- Positive cash flows due to national process

Controls in Place
- Actively engaged in the Hospital Services Strategy for Norfolk and Waveney working alongside NNUH and JPUH to deliver the key workstreams including specialty review and redesign and alignment of policies and procedures in light of COVID. This is in line with the principles of the Acute Services Integration programme whilst developing Phase 2 / 3 COVID response.
- 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 9 2020/21 financial reporting in line with the revised financial plan of £1.9m CIPs programme in place that have been assessed against any potential COVID impacts. All schemes have been assessed against the current national guidance and requirements and fully assessed for quality impact
- Capital expenditure envelope is based on STP allocation with prioritisation process in place. Additional national capital has been secured for surge capacity, backlog maintenance, Urgent and Emergency Care improvements

Future Opportunities
- Model Hospital / GIRFT and opportunity to be assimilated
- Trust is active partner in STP and able to influence system-wide decisions with financial and clinical impact
- Clinical strategy development between 3 Norfolk Trusts

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