The Queen Elizabeth Hospital King's Lynn
NHS Foundation Trust

Meeting:	Board of Directors (in Public)		
Meeting Date:	7 April 2021	**Agenda item:**	14
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	N/A	
	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. Updates for KSO 3; 1. Assurance; • Improved response rates and results in (1) 2020 National Staff Survey and (2) latest and repeated Medical Engagement Survey • Refreshed 2021/22 Staff Engagement Programme agreed and funding secured to support delivery • Internal audit review re: Speak Up returned as 'Partial assurance' – informing 2021/22 programme of work • Internal audit review of Staff Engagement underway, with fieldwork to commence March/April 2021 2. Rationale for Current Risk Score; • 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 • Strong focus on values, behaviours and kindness • Culture transformation programme well advanced • Strengthened staff health and wellbeing programme 3. Controls in Place; • Trust-wide culture transformation programme underway for leaders and all staff; commencing at scale from April 2021 • Leaders masterclasses to focus on new approach to appraisals, values-based recruitment and clarity on expectations re: sickness absence management • 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 • Internal Culture and OD intervention for specific services/areas in response to CQC & staff feedback – including clinical and non-clinical teams • External Culture and OD underway in Maternity and Radiology • First QEH Leadership Conference took place on 16 March 2021 • Culture perception survey to get baseline before culture transformation work commences launching 22 March 2021 4. Emergent Risks • Staff morale and wellbeing relating to COVID-19 particularly

	amongst BAME staff group • Organisational culture (notably staff attitudes and behaviours) Updates for KSO 4; 1. Rationale for Current Risk Score: • Month 11 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). • Month 11 is the second month that includes the phasing of the £1m improvement confirmed in November's submission. 2. 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 service 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. • Month 11 2020/21 financial reporting in line with the revised financial plan of a deficit of £1.9m. CIPs programme in place and have been assessed against any potential COVID impacts. The forecast at Month 10 remains to deliver the full year value of £4.4m. All schemes have been assessed against the current national guidance and requirements and fully assessed for quality impact 3. Assurance: • Norfolk and Waveney Hospitals Group Committees is in place and meeting regularly 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 12.
Recommendation:	The Trust 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: March 2021
NEXT REVIEW SCHEDULED: April 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
- 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
- Strong focus on values, behaviours and kindness
- Culture transformation programme well advanced
- Strengthened staff health and wellbeing programme

Emergent Risks
- 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
- Improved response rates and results in (1) 2020 National Staff Survey and (2) latest and repeated Medical Engagement Survey
- Refreshed 2021/2022 Staff Engagement Programme agreed and funding secured to support delivery
- Internal audit review re: Speak Up returned as 'Partial assurance' – informing 2021/22 programme of work
- Internal audit review of Staff Engagement underway, with fieldwork to commence March/April 2021

Controls in Place
- Trust-wide culture transformation programme underway for leaders and all staff; commencing at scale from April 2021
- Leaders masterclasses to focus on new approach to appraisals, values-based recruitment and clarity on expectations re: sickness absence management
- 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
- Internal Culture and OD intervention for specific services/areas in response to CQC & staff feedback – including clinical and non-clinical teams
- External Culture and OD underway in Maternity and Radiology
- First QEH Leadership Conference took place on 16 March 2021
- Culture perception survey to get baseline before culture transformation work commences launching 22 March 2021

Gaps in Control and Assurance
- Performance against People KPIs (appraisal, mandatory training & sickness absence)
- 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: March 2021
NEXT REVIEW SCHEDULED: April 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 (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
- Surplus position delivered for 2019/20 with full delivery of CIP and high level of recurrent schemes.
- Month 11 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).
- Month 11 is the second month that includes the phasing of the £1m improvement confirmed in November's submission.
- 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

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
- Norfolk and Waveney Clinical strategy is in development, underpinned by development of QEH clinical strategy.

Assurance
- Monthly STP updates to Board.
- Norfolk and Waveney Hospitals Group Committees is in place and meeting regularly
- 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 service 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 11 2020/21 financial reporting in line with the revised financial plan of a deficit of £1.9m. CIPs programme in place and have been assessed against any potential COVID impacts. The forecast at Month 11 remains to deliver the full year value of £4.4m. 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

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.
- Improvements required within capital planning and capital programme management.