Agenda No. 16

The Queen Elizabeth Hospital King's Lynn
NHS Foundation Trust

REPORT TO THE BOARD OF DIRECTORS (PUBLIC)

RESPONSIBLE OFFICER:	REPORT FOR:		IMPACT ON BUSINESS:		
Gill Rejzl, Trust Secretary	Decision		High	Med	Low
	Discussion	✓	✓		
	Information				
LEAD MANAGER:	**REPORT TYPE:**		**BAF REFERENCES & RAG:**		
	Strategic	✓	ALL		
	Operational				
	Governance		**RELATED WORK: (PREVIOUS PAPERS TO COMMITTEE)**		
PEER ASSIST:	**PEER REVIEW:**				
Executive Directors					
CQC Domains:	All & Well-Led				

Meeting Date: **29 January 2019**
Report Title: **Board Assurance Framework (BAF) Summary**

Purpose: To facilitate the Board's review of its handling of strategic risk.

Summary:

The Trust's corporate strategy was presented for consideration and approval at the public Board meeting in September 2018, following a period of development and stakeholder consultation in respect of the Trust's vision, corporate priorities, strategic objectives and values & behaviours, all of which have previously been presented to the Board. Also, in September 2018, the Board agreed the principal risks to the delivery of the corporate strategy.

Strategic Objectives:

1. Care that is safe and supported
2. Give our patients the best possible outcomes – involving and explaining effectively
3. Provide a patient experience we can be proud of
4. Sustain safe births and supported childhoods
5. Strengthen our community's wellbeing throughout life
6. Support our patients to age with dignity
7. Optimise our use of resources
8. Recruit and retain high calibre staff – and develop potential
9. Innovate and harness technologies

Principal Risks:

RISK 1	**There is a risk that the Trust may be unable to establish and maintain an appropriate workforce to support the delivery of its objectives, with failures of:** **- Leadership** **- Engagement** **- Capacity** **- Capability**
Causes:	Ineffective leadership/management practices at all levels
	Inability to attract high calibre people
	Recruitment process fails to secure desired candidates
	Poor reputation
	West Norfolk not promoted effectively as a desirable place to live
	Agency cap impact on Trust's ability to secure high calibre temp. medical staff
	Sub-optimal education / training / development offerings to recognised hi-potential staff
	Political developments erode pipeline of overseas appointments
	Poor recognition / reward practices
	Failure to 'listen' to and act on staff feedback
Effects:	Poor staff satisfaction feedback
	Inability to recruit/retain high calibre staff
	Resistance to change
	Increased turnover
	Low staff morale and motivation
	High sickness absence rates
	Sub-optimal skill mix / fill rates
	Errors and near-misses / safety concerns
	Undesirable behaviours
	Loss of credibility with HEE and other regulators and resulting sanctions
	Poor performance
	Poor adherence to standards
	Poor compliance with policy and procedures

RISK 2	**There is a risk that patients may receive sub-optimal care / treatment, with failures in** **- Outcomes** **- Safety** **- Experience**
Causes:	Inconsistent compliance with standards and policy
	Inappropriate skills mix / capacity
	Ineffective training
	Ineffective leadership
	Poor communication with patients and carers
	Failures in documentation and record keeping
	Lack of patient involvement / choice
	Sub-optimal pathways and poor flow through the organisation
	Failure to identify and manage risk effectively
	Very high demand for services
	Lack of community capacity / social care
	Failure to assimilate learning
Effects:	Higher rates of avoidable deaths
	Patient harm
	Increasing incidence of Infection outbreaks
	Poor patient outcomes
	Poor patient satisfaction

	Increased number of SIs / Never Events
	Poor regulatory / accreditation inspection outcomes & regulatory intervention
	Adverse media coverage / reputational damage
	Poor patient flow
	DTOCs and people being cared for in an inappropriate environment
	Delayed treatment
	Highly pressured working environment for staff
	Contract breaches

RISK 3	**There is a risk that the Trust becomes unsustainable financially and/or clinically, due to failure to:** **- Deliver financially, at pace** **- Deliver productivity and efficiencies** **- Transform services for the benefit of our patients**
Causes:	Failure to develop effective strategic partnerships
	Political and regulatory influence/pressure
	Ineffective financial / activity / strategic planning
	Suboptimal efficiency and productivity
	Board failure to be entrepreneurial / nimble
	Board / Trust failure to engage positively with strategic partners
	Suggested service provision models fail to assimilate the Trust's geographical position and patient footprint
	QE failure to manage financial, quality and or operational performance delivery
	Failure to develop technologies and transformational service solutions
	Trust's financial and quality position make it a 'weak' partner
Effects:	Poor STP 'deal' for Trust and its patients
	Some patients receive sub-optimal service offerings
	Loss of services - resulting in further erosion of Trust sustainability
	Loss of trust sovereignty and autonomy
	Reputational damage – Trust identified as a technological 'laggard'
	Financial regulatory intervention - special measures

The Board Assurance Framework report is reported in the private section of the Board meeting. The BAF is a strategic 'tool' for the Board and as such, necessarily contains information that is sensitive and details of strategic work that is confidential while in developmental stages. A high-level summary of the BAF is presented at each public Board meeting.

Definitions and RAG keys are set out in Appendix 1.

Financial Implications: No financial implications as a direct result of this report.

Risk Assessment:

Strategic / External	Operational/ Organisational	Financial	Clinical	Legal/ Regulatory	Reputational / Patient Experience
✓	✓	✓	✓	✓	✓

Recommendations:

The Board is invited to note the Board Assurance Framework Summary:

Board Assurance Summary – January 2019

RISK 1	**There is a risk that the Trust may be unable to establish and maintain an appropriate workforce to support the delivery of its objectives, with failures of:** **- Leadership** **- Engagement** **- Capacity** **- Capability**	OVERALL RISK RATING	Target Risk	Previous Residual Risk	Current Residual Risk
			8		**16**
		Likelihood	2		4
		Consequence	4		4

Controls **Gaps in Control**	**Sources of Assurance (reporting to)** **Gaps in Assurance**	**Ass. RAG**
1. TRAC & Recruitment Pipeline Management & Recruitment Standards	Recruitment and Retention Group Recruitment timeline performance (WC)	limited
	Nurse recruitment timeline (WC) - reporting to Nurse Staffing Assurance Meeting	Poor
2. Occupational Health Services	Sickness absence performance	Poor
	Staff Feedback (WC), exit interviews etc.	some positive
3. Workforce Strategy (Recruit, Retain and Manage Well)	Strategy implementation updates (WC) - Dec 2018	some positive
4. **Integrated Workforce Plan**		Poor
5. HR Support Structure inc. HRBPs	Productivity / feedback	limited
6. Training Programmes	Apprenticeship Levy usage (WC). Training Plan	some positive
7. Workforce standards and targets	KPIs - turnover, vacancies, appraisals, mandatory training, sickness absence	limited
8. Values and Behaviours	Staff Feedback (WC), exit interviews Grievance and Disciplinary cases. Staff Survey initial report to Board - Jan 2019	some positive
9. Organisational Development Strategy	OD Strategy Implementation reporting (WC). Warwick Medical Engagement Survey	some positive
10. 'People' Workstream of the QIP	QIP Actions Rag Rating (QPB & WC)	some positive
11. Leadership Strategy / Leadership Development Programme		limited
12. Board Development Programme	Well-Led Reviews and Board Self-Assessments. Independent Board Review - reported to Board - Jan 2019	limited
13. Workforce Policies	KPIs	some positive
14. Capacity Planning / Medical Job Plans	HEE inspections	limited
	Medical fill-rates	some positive
15. 'Who can I tell?' programme	Staff concerns / Whistleblowing, FTSUG activity. FTSUG report to Board Jan 2019	limited

16. Daily Staffing huddles and thrice daily nurse staffing sitrep	Nurse staffing RAG-Ratings - IPR and Operational Sitrep. Safe Staffing Steering Group - reporting to WC	some positive
17. Winter Plan - securing safe staffing elements	Fill-rates (Q&PC)	some positive
18. Allocate rota management tool	Fill-rates (Q&PC)	some positive
19. Board capacity and succession planning	PwC Board Review - Nov 2018 (Board 11 Dec). Reported to Board - Jan 2019	limited
	Well-Led Review	poor
20. Workforce Oversight Governance Structure - inc. Leadership and OD Development Comm. & Recruitment and Retention Committee	CKIs and minutes from sub-committees (WC)	poor
21. Staff Engagement e.g. JSCC and staff comms	Staff Satisfaction	limited

RISK 2	**There is a risk that patients may receive sub-optimal care / treatment, with failures in:** **- Outcomes** **- Safety** **- Experience**	OVERALL RISK RATING	Target Risk	Previous Residual Risk	Current Residual Risk
			5		**15**
		Likelihood	1		3
		Consequence	5		5

Controls **Gaps in Control**	**Sources of Assurance** **Gaps in Assurance**	**Ass. RAG**
1. Policies, procedures, protocols, SOPs	Audits of compliance (CGC and QPB)	limited
	Peer Reviews (TEC)	tbc
	Inspections (TEC & Board)	poor
	Quality Improvement Plan delivery (QPB)	limited
	KPIs (Q&PC)	limited
	Patient /Carer Feedback (Q&PC)	limited
2. Standards and Targets (supported by the Accountability Framework)	KPIs / Benchmarking (IPR) and Departmental reporting to Performance Reviews)	some positive
	Regulatory Inspections (TEC & Board)	poor
	Quality Assurance Visits (Divisional Board, TEC, Q&PC)	limited
	Quality Deep Dives (QPB, Q&PC)	some positive
	Mortality Reporting (Q&PC)	some positive
	GIRFT Reviews	tbc
3. Strategies (e.g. The Quality Strategy)	Strategy Implementation updates (Quality Strategy Update to Q&PC)	limited
4. The Winter Plan	Operational Performance KPIs (Q&PC)	some positive
	Daily Operational Reporting sitreps (A&E to NEDs daily)	some positive
5. Divisional Structures and Leadership	Well-Led Reviews	poor

6. Relationships with partners e.g. contract with CCG	Daily Operational Reporting sitreps (A&E to NEDs daily)	limited
	Operational Performance KPIs (Q&PC)	some positive
	CCG Contract Management (F&AC)	some positive
7. Support and learning (e.g. ECIST, Maternity & Cancer Services Support)	Reporting to QPB and Q&PC	some positive
8. Risk and Governance Reporting Systems and Risk Management Strategy	SIs and KPIs (Q&PC)	limited
	Risk Register (Risk Comm and Board)	limited
	Evidence of Learning	limited

RISK 3	**There is a risk that the Trust becomes unsustainable financially and/or clinically, due to failure to:** **- Deliver financially, at pace** **- Deliver productivity and efficiencies** **- Transform services for the benefit of our patients**	OVERALL RISK RATING	Target Risk	Previous Residual Risk	Current Residual Risk
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		Likelihood	1		3
		Consequence	5		5

Controls **Gaps in Control**	**Sources of Assurance** **Gaps in Assurance**	**Ass. RAG**
1. Long-Term Financial Model	19/20 Planning reporting to F&AC	limited
2. Standing Financial Instructions and Policies	Approval and reports to Board / Audit Comm. Policies currently inaccessible via Finance Intranet subsite	some positive
3. Systems and procedures	Internal Audit (Audit Comm)	good
4. Annual Plan	Delivery against forecast - (F&AC)	poor
5. Activity Plan	Delivery against plan - e.g. income (F&AC)	poor
6. Capital and Revenue Budgets	Variance against budget (F&AC)	poor
7. Loan Agreement	Monthly assurance report (Board)	some positive
8. Financial Recovery Plan	Delivery against trajectory (F&AC)	poor
9. Productivity Plans	Foureyes theatre productivity work, Model Hospital, RCI, GIRFT - measures of productivity	limited
10. CIPs Programme	Delivery against trajectory (F&AC)	poor
11. Contract and Contract management	Penalties, coding challenges, PBR	limited
12. Agency Caps	Pay expenditure performance (F&AC)	limited
13. Control total and regulatory regime/support PRMs / QRMs	PRM feedback (Board)	poor
14. Finance Team	Capacity / Resource	limited
15. STP	STP reports to Board	limited

16. Acute Services Review	Attain and other STP Proposal -' handling at Board	some positive
17. Clinical Strategy	Clinical Strategy development (Board)	limited

BAF Definitions

Appendix 1

Key Control- *What controls / systems do we have in place to assist in securing delivery of our objective?*
"The ongoing policies, procedures, practices and organisational structures designed to provide reasonable assurance that objectives will be achieved and that undesired events will be prevented or detected and corrected" Ref: DoH, Building the Assurance Framework – a Practical Guide for NHS Boards

Gaps in control - *Where are we failing to put controls / systems in place and where are we failing in making them effective?*

Sources of Assurance - *Where can we gain evidence that our controls / systems, on which we are placing reliance, are effective? (Management Checks, Internal Audit, Clinical Audit, CQC assessments, External Audit, Local Counter Fraud Services, NHSLA, other reviews)*

Gaps in assurance - *Where are we failing to gain evidence that our controls / systems, on which we place reliance, are effective?*

Positive assurances / **Negative Assurances -** *What evidence do we have that shows we are (**or are not**) reasonably managing the risks to the delivery of our objectives? Are our objectives being delivered?*

Target Risk - *What residual risk level is acceptable? – risk tolerance*

Previous Residual risk - *What residual risk was reported at the last BAF review?*

Current Residual risk - *What residual risk score remains when current controls and mitigations are in place?*

Assurance Effectiveness Key

Good assurance of effective controls	green
Some positive assurance of effective controls	yellow
limited assurance of effective controls	amber
Poor assurance of effective controls	red

Overall Risk Scoring Matrix

	Likelihood				
Consequence	1	2	3	4	5
	Rare	Unlikely	Possible	Likely	Almost certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5