Agenda Item: 16

REPORT TO THE BOARD OF DIRECTORS (PUBLIC)

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

Meeting Date: **31 January 2017**
Report Title: **Board Assurance Framework (BAF)**

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

Summary: The BAF has been reviewed in January 2017.

The BAF commentary / summary table overleaf seeks to:

- Provide an updated summary commentary on the current strategic risk position;
- Facilitate Board members' understanding of strategic risk across the identified risk areas, via RAG rating; and
- Summarise key risk ratings, movements and rationale

In October 2015, the Board approved five revised Strategic Objectives:

1. To deliver safe services
2. To deliver the best possible experience for patients and staff
3. To deliver the most effective outcomes
4. To deliver a well-led, capable and motivated workforce
5. To be efficient and make best use of available resources

The BAF has been aligned with these since November 2015.

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:

- Endorse the Principal Risks and Key Controls in respect of the delivery of the Trust's strategic priorities
- Commission additional work to:
  - strengthen controls
  - strengthen sources of assurance
  - undertake additional actions to mitigate risks
  - triangulate information according to identified themes

BAF Commentary – January 2017

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Nov 2016	Risk Rating movement
1	Patients do not receive quality care because safety, outcome and/or experience does not meet our expected standards	**5**	**12**	**12**	Embedding Transformation Nous work underway at Trust on emergency pathway. In reach of acute medical physicians into ED. Further developed AEC (7 day) with CDU for all patients not needing resus. CHS - family liaison being embedded - to support timely discharge. Plans to extend to wider cohort of patients. Ring fenced #NoF beds in place. MAU - 2 bays to be used as real-time medical assessment facility. Operational Performance benchmarked very well over Christmas period. Significant capacity challenges experienced in January. Frailty Pathway developing - with 'Red and Green' day and 'Stranded Patient' work 2016/17 Internal Audits: - Patient Experience / Complaints - green - Raising Concerns and Whistleblowing - amber/green - Clinical Audit re-audit August 2016 - green Duty of Candour compliance re-audit undertaken - improved but further work needed to achieve 90% by Q4. Duty of Candour re-launched - August/Sep 2016 CQC Inspection report (August 2015) - Much improved inspection findings - 'Requires Improvement' assessment overall. Key areas for improvement - O&G, End of Life Care, Outpatients. Integrated Care Pathway for the dying patient being developed. CQC Compliance Strategy approved - Quality Committee Nov 2016. Senior specialist support (CQC Inspector) secured for O&G team. Initial feedback reported to Board and teams - October 2016 Substantive Divisional Director for W&C / Head of Midwifery & Nursing in post from August.	No movement in reporting period – quality improvement work ongoing

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Nov 2016	Risk Rating movement
					Review of Maternity and Children undertaken 21 July 2016 - positive feedback. HEE Non-Medical Quality Improvement Performance Framework (QIPF) - assessment 15 June.- extremely positive assessment (Green). Royal College review of Urology undertaken - early feedback from RCS (Urology Faculty) - QE needs to increase delivery within consultant job plans, extend the role of nursing and telephone follow-up clinics - report pending - action plan to be developed. Major Trauma Peer Review - June 2016. - positive feedback Areas of concern: – • Trauma Team Activation • CT imaging • Following trauma patients Model Hospital - GIRFT - Getting it Right First Time (programme re. all surgical specialties to reduce variation and drive quality) assessment undertaken in T&O - v. good result (national joint registry and LoS). Assessments yet to be undertaken for Spinal Surgery, Vascular Surgery. - Orthopaedics reported to Qual Comm. Nov 2016 - positive review that will result in improvement and reduced variation. Urology GIRFT review - positive. 15 Steps feedback from ward visits delivered to Matrons' weekly meeting and Quality Committee. 15 steps visit programme revised - all NEDs participating. Feedback form revised for non-clinical areas Patient Survey - similar to last year - improvement in most areas. Issues identified re. communication of information. Patient and Carer Experience Strategy agreed May 2016. Cancer Patient Experience Strategy - improved feedback. Patient and Public Involvement Policy/Strategy approved January 2017 (Quality Committee) Stable nursing workforce against establishment / skill mix.	

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Nov 2016	Risk Rating movement
					Significant risk associated with supporting additional bed capacity i.e. expertise for specific patient groups and acuity. Norfolk and Suffolk have submitted a collaborative bid to pilot band 4 nursing roles. Significant numbers going for Band 4. Medical staff gaps (consultants and Juniors) identified. Difficult to attract quality locums - rate cap impacting. Workforce Transformation plans in development, joint appointments, new ways of working, high calibre substantive and agency being secured. National / regulatory staffing perspective report to the Board in August 2016. 16/17 Quality Priorities to EDs in March 2016 and then to Quality Committee and Governors' Council. Quality priorities reflected in job planning guidance. Patent Experience Strategy - BoD - May 2016. Governance structure revised to align with revised Operational Management Structure - Dec 2016. Disseminated Jan 2017 Risk Committee in place and reporting to the Board, monthly. Risk Management Strategy approved. Review of all departmental risk registers undertaken at Risk Committee. Risk and Governance support in place for Medicine division 2015/16 Risk Management Internal Audit - 'amber/green' Risk training for new NEDs undertaken 14 June. New Head of Risk and Governance from September 2016. Risk Register Management Procedure - approved at Risk Comm. 11/01 - to go to Clin. Gov. Comm and TEC.	

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Nov 2016	Risk Rating movement
2	Unable to maintain Trust financial viability without significant deterioration in service quality	**5**	**12**	**16**	CIP Programme - for 2016/17 agreed at £2.5m and Efficiency Plan - £7.6m. See Finance report for monthly progress report. Work underway on Lord Carter review efficiency opportunities. Work undertaken on highest paid agency staff - improvement trajectory being reported to Board. CQUINs for 16/17 agreed. CQUINS risk position assessed. Board approved proposals re. Pharmacy and procurements. Local price modification requested on Critical Care, NICU, Maternity - some modifications agreed. NPP prioritising back-office opportunities. 2015/16 plan (-£13.9m) delivered. Control target for 16/17 of - £5.4m agreed with NHSI - predicated on receipt of £6.5m transformation funding (subject to delivery of key performance targets) (see Finance Report and Finance Exceptions report July 2016). Trust unlikely to deliver year-end position without cap/rev support - reported to Board Sep 2016. Key delivery risk identified as agency reduction. Further deterioration in financial position identified - Nov 2017. NHSI informed, Financial Advisor Support secured, Internal Audit on Financial Governance commissioned, recovery plan put in place, additional NED oversight put in place. SLR plan developed to support requirements around local tariff uplift. SLR delivery plan progressing as planned. New SLR system being implemented. Patient-level Information and Costing in place (PLICS).	**Board 'Top 3' Risk** Residual Risk rescored to 16 (Red), following deterioration in financial position in November 2016.
3	Unable to develop effective partnerships that lead to transformative care pathways for patients	**8**	**12**	**12**	Norfolk Provider Partnership MoU signed and publicised January 2016 - regional strategic partnership to provide mutual support and explore and deliver shared solutions - back office opportunities. Clinical Strategy endorsed by Board - identifies potential for different ways of delivering services.	No movement in reporting period – pending STP development and local discussions with CCG

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Nov 2016	Risk Rating movement
					Transformation Programme in place and working on key projects. Acute Services Review undertaken (KPMG) - using CPT report as baseline. Sustainability and transformation plans (STP) footprint identified - CCGs - West Norfolk, North Norfolk, Gt Yarmouth & Waveney, Norwich and South Norfolk. Norfolk & Waveney STP governance structure in place and meeting regularly. BoD Development on STP - May 2016 and Jan 2017 to agree service options and STP negotiating position. 18 October Board approved STP and LDR STP submitted - 21 October 2016 - published on Healthwatch website Trust engaging rigorously and positively in STP work and will seek to engage with neighbouring STPs re. strategic relationships falling outside the N&W STP footprint. Norfolk Hospital Group in development. Discussion re. STP governance has commenced. Director of Strategy appointed - Dec 2016. A&E Delivery Board and CQRM meetings in place and attended by the Trust. Norfolk Provider Partnership MoU in place, Macmillan / QE Cancer Strategy - funding approved following 'visioning' day - launch event - July 20 2016. Trust continues to work with CCG and community re. additional community capacity. Continuing issues re. End of Life pathway. Contracts for 17/18 agreed with Commissioners and signed - value (£850m) aligns with APR. CCG QIPP initiatives could result in removal of £3m elective activity and £2.2m of non-elective activity - subject to delivery of detailed QIPP plans.	

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Nov 2016	Risk Rating movement
					NHS England contract relates to specialist services such as NICU, Chemo and dental services and is worth £13m. Interim agreement reached on local price tariff for NICU.	
4	Failure to develop appropriate workforce capacity and capability that reflects a culture of excellence	**8**	**16**	**16**	Workforce transformation - seeking alternative models of service delivery - potential for back-office / front office. External support secured for workforce transformation and hard to fill medical posts. Revised organisational structure in place. Supplier Engagement Event held re medical recruitment in July - additional agencies signed up. Trust exploring options for additional support for managing the Trust's bank and temp. nursing capacity requirements. HR to review capacity of resourcing team. Improved bank fill rates due to introduction of 'employee on-line' More agencies engaged to improve ability to secure agency nurses. Trust working with specialties to look at proactive alternative clinical delivery methods e.g. Nurse Consultants, advanced clinical practitioners. Recruitment event - 14 September Change in the way funding for apprenticeships is allocated on the way. Apprentice levy to be introduced (£750K) - to be allocated to apprentice training Health and Wellbeing CQUIN - realistic target - Trust expects to achieve targets. 'First Care' - external sickness absence management support in place. Management support arrangements currently under review. Recognition / Reward for staff with 12-month absence-free record introduced and well-received.	**Board 'Top 3' Risk** Residual Risk remains at rescored 16 (4x4) Recruitment / retention in key areas remain challenging.

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Nov 2016	Risk Rating movement
					Top 100 - sickness absentees escalation meetings in place and overseen by the CEO. 'Mandatory Training' - some issues identified re Mandatory Training take-up for staff impacted by winter pressures and ability to release staff to attend. Recovery and 'catch up' anticipated when pressure lifts. Mantra circulated via payslips in October 2016. Job Planning internal audit 15/16 - amber/red Medical staff gaps and significant numbers of interim staff/managers in place - see Risk 1e. Risk identified in O&G concerning potential loss of trainees due to consultant capacity - Deanery visit - Nov. 2016 Trust working to ensure optimised agency supply chain and delivery of cost reduction imperatives. Dec 2015 Staff Survey: Key issues of concern over the 12 month period leading to the survey date relate to: - Quality of appraisals - feedback form introduced to enable staff to comment on quality of appraisal. - Experiencing harassment, bullying or abuse from patients, relatives or the public - Experiencing discrimination at work - Feeling pressure in the last three months to attend work when feeling unwell - Experiencing physical violence from patients, relatives or the public. 2016 Annual Staff Survey - October 2016. All staff surveyed Revised Whistleblowing Policy approved by JSCC and ratified by Workforce Committee in Dec 2015. National Whistleblowing Policy and Local Freedom to Speak up Guardian report to Board - Sept 2016. Interim FTSUG in place (NED). Recruitment process for independent FTSUI Guardian to complete in Feb 2017.	

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Nov 2016	Risk Rating movement
					Raising Concerns / Whistleblowing Internal Audit complete - amber/green	
5	Unable to maintain, replace, develop (or dispose of) the Trust's physical infrastructure, including IT and Estate to ensure that they remain fit for the future needs of the Trust	**8**	**12**	**12**	Estates work : - Theatres upgrade - Theatre 5 complete - Theatre 6 ahead of schedule and complete by Nov 2016 - Theatre IT - complete Q3 - Wi-Fi - complete and live - Windsor Ward refurb - complete - MLBU - complete - Mortuary - complete - Breast Unit - complete - West Raynham complete - Nov 2016 - Energy Improvement (inc. lights) - complete for Nov Estates / Facilities Strategy to Board - April 2016. Capital programme likely to be significantly restricted in 2016/17 due to availability of funding. Recent and current works - Introduction of zonal cleaning to improve efficiency. Introduction of new bed management system Refurb of training & HR facility 3rd Echo room new clinic rooms for ENT/Audiology/Maternity and Respiratory. AEC point of care testing equipment installation - LoF funded. H&S Review undertaken - Action Plan in place - monitored by H&S Comm. HSE visit in November - no additional issues identified. HSE satisfied that issues re. Lone Worker have been resolved. Fire Officer and Fire Team in place. Annual Fire Inspection - 09 Dec 16 - very positive inspection - minor recommendations. Fire Officer in agreement with Trust concerning handling of fire alarm / fire containment priorities. Fire Awareness Week - 01 Dec. Risk Committee keeping Estates Risks under review. Estates and Infrastructure Risks identified on Corporate Risk Register.	**Board 'Top 3' Risk** No movement in reporting period The Board has received assurance of improved momentum on Estates projects. However, the BoD recognises ongoing CAPEX funding risks.

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Nov 2016	Risk Rating movement
					New Fire Strategy complete Backlog Maintenance programme in place. Medical Gases valve work complete. Estates / Facilities Strategy to Board - April 2016. Ward decant / refurb work complete. New approach to ward refurb - Oxborough Q2 2017/18 IT projects underway / planned subject to agreement on IM&T Roadmap and timetable: - E-Discharge in place - July/October 2015 - Theatre IT - Wi-Fi - E-Handover - Maternity IT - Order-Comms IT team restructured with dedicated QA role IT Strategy assimilated into STP Digital Roadmap - submitted in October 2016 STP Estates workstreams - chaired by Trust's Estates lead. Estates' Strategy to be aligned with STP Estate Plans.	
6	Unable to retain and/or build and embed leadership capability at all levels within the Trust	**4**	**9**	**9**	Substantive appointment to some key senior positions to be resolved. Substantive MD appointed (From April). Substantive DoN appointed (from March). Interim COO appointed (from April) Substantive CEO recruitment processes underway. Revised Operational Management Structure in place.	No movement in reporting period. CQC report (August 2015) has provided assurance that Trust is 'well-led'. Residual Risk rating re-scored to 9 in September 2015. Rating will be reviewed following Well-Led Framework for Governance

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Nov 2016	Risk Rating movement
					New DD for W&C / head of Midwifery & Nursing in post. Revised Operational Management Structure in place. CQC (August 2015 report) assessed Trust as 'green' in the 'well-led' domain. Board development programme in place. Annual Corporate Governance Statement submission agreed by BoD - June 2016 Well-Led Framework for Governance self- assessment in progress - external review to be commissioned in 2017 in-line with regulatory expectations. Well-led Framework Review work will be aligned through QIG with CQC Well-Led domain compliance. Well-led Framework Review - self assessment reporting to BoD - Jan 2017 Consultant Leadership Development Programme rolled out in 2016. Revised Operational Structure in place from the end of May 2016. Recruitment to posts progressing well. Associate MDs appointed - September 2016. All CD positions recruited to except Surgery - interim postholder in place. 16/17 - Divisional Accountability Internal Audit - 'Green'	review.

Appendix 1

BAF Definitions

Principal risks

"Those risks that if realised could fundamentally affect the way in which the Trust exists or provides services in the next one to three years. These risks should they occur will have a detrimental effect on the achievement of one, some or all of the Trust's strategic objectives. The risk realisation will lead to material failure, loss or lost opportunity."

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

Risk appetite - What level of risk is the Board prepared to carry/accept?

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?

Actions / Target Date

What actions are in hand or planned to address the gaps in controls or assurance?
What is the timeframe?

Executive Lead / Monitoring Committee

Who is responsible for ensuring actions are delivered?

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

Likelihood Score	**1**	**2**	**3**	**4**	**5**
Description	Rare	Unlikely	Possible	Likely	Almost Certain
Frequency (How often might it / does it occur)	This will probably never happen	Do not expect it to happen/recur but it is possible it may	Might happen or recur occasionally	Will probably happen/recur but it is not a persisting issue/circumstance	Will undoubtedly happen/recur, possibly frequently
Frequency	Not expected to occur for years	Expected to occur at least annually	Expected to occur at least monthly	Expected to occur at least weekly	Expected to occur daily
Probability	Less than 0.1%	0.1 – 1 %	1- 10 %	10 – 50 %	Greater than 50%

	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	**Negligible**	**Minor**	**Moderate**	**Major**	**Catastrophic**
Impact on the safety of patients, staff or public (physical/ psychological harm)	Minimal injury requiring no/minimal intervention or treatment No time off work required	Minor injury or illness requiring minor intervention Requiring time off work for <3 days Increase in length of hospital stay by 1–3 days	Moderate injury requiring professional intervention Requiring time off work for 4–14 days Increase in length of hospital stay by 4–15 days RIDDOR/agency reportable incident An event which impacts on a small number of patients	Major injury leading to long-term incapacity/ disability Requiring time off work for >14 days Increase in length of hospital stay by >15 days Mismanagement of patient care with long-term effects	Incident leading to death Multiple permanent injuries or irreversible health effects An event which impacts on a large number of patients
Quality/complaints/audit	Peripheral element of treatment or service sub-optimal Informal complaint/inquiry	Overall treatment or service sub-optimal Formal complaint (stage 1) Local resolution Single failure to meet internal standards Minor implications for patient safety if unresolved Reduced performance rating if unresolved	Treatment or service has significantly reduced effectiveness Formal complaint (stage 2) Local resolution (with potential to go to independent review) Repeated failure to meet internal standards Major patient safety implications if findings are not acted on	Non-compliance with national standards with significant risk to patients if unresolved Multiple complaints/ independent review Low performance rating Critical report	Incident leading to totally unacceptable level or quality of treatment/service Gross failure of patient safety if findings not acted on Inquest/ ombudsman inquiry Gross failure to meet national standards
Human resources/ organisational development/ staffing/competence	Short-term low staffing level that temporarily reduces service quality (<1 day)	Low staffing level that reduces service quality	Late delivery of key objective/ service due to lack of staff Unsafe staffing level or competence (>1day) Low staff morale Poor staff attendance for mandatory/key training	Uncertain delivery of key objective/service due to lack of staff Unsafe staffing level or competence (>5 days) Loss of key staff Very low staff morale No staff attendance for mandatory/key training	Non-delivery of key objective/service due to lack of staff Ongoing unsafe staffing levels or competence Loss of several key staff No staff attending mandatory training/key training on an ongoing basis
Statutory duty/ inspections	No or minimal impact or breech of guidance/ statutory duty	Breech of statutory legislation Reduced performance rating if unresolved	Single breech in statutory duty Challenging external recommendations/ improvement notice	Enforcement action Multiple breeches in statutory duty Improvement notices Low performance rating Critical report	Multiple breeches in statutory duty Prosecution Complete systems change required Zero performance rating Severely critical report
Adverse publicity/ reputation	Rumours Potential for public concern	Local media coverage – short-term reduction in public confidence Elements of public expectation not being met	Local media coverage – long-term reduction in public confidence	National media coverage with <3 days service well below reasonable public expectation	National media coverage with >3 days service well below reasonable public expectation. MP concerned (questions in the House) Total loss of public confidence
Business objectives/ projects	Insignificant cost increase/ schedule slippage	<5 per cent over project budget Schedule slippage	5–10 per cent over project budget Schedule slippage	Non-compliance with national 10–25 per cent over project budget Schedule slippage Key objectives not met	Incident leading >25 per cent over project budget Schedule slippage Key objectives not met
Finance including claims	Small loss Risk of claim remote	Loss of 0.1–0.25 per cent of budget Claim less than £10,000	Loss of 0.25–0.5 per cent of budget Claim(s) between £10,000 and £100,000	Uncertain delivery of key objective/Loss of 0.5–1.0 per cent of budget Claim(s) between £100,000 and £1 million Purchasers failing to pay on time	Non-delivery of key objective/loss of >1 per cent of budget Failure to meet specification/ slippage Loss of contract/ payment by results Claim(s) >£1 million
Service/business interruption **Environmental impact**	Loss/interruption of >1 hour Minimal or no impact on the environment	Loss/interruption of >8 hours Minor impact on environment	Loss/interruption of >1 day Moderate impact on environment	Loss/interruption of >1 week Major impact on environment	Permanent loss of service or facility Catastrophic impact on environment