Agenda Item: 17

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: **27 September 2016**
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 September 2016.

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 from 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 – September 2016

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Sept 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**	Trust met A&E 4 hour standard in August for 1st time in a year. Benchmarking well against regional peers despite increasing demand. Issues prevail concerning ASIs, Cancer pathway (lung and head & neck) Embedding Transformation Nous work underway at Trust on emergency pathway and flow in last 3 months. Improved operational resilience. Multi-professional team in bed meeting. Improved control of bed base, daily Board rounds supported by PMO. Weekly point-prevalence. In reach of acute medical physicians into ED. Further developed AEC with CDU. Frailty Structure developed - geriatrician and multifunctional capacity at 'front door' Clinical Audit - 2015/16 - Red - 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. Royal College of Obs and Gynae review reported to Quality Committee - July 2015. Significant leadership, team and process issues identified. Senior specialist support (CQC Inspector) secured for team. Substantive Divisional Director for W&C / Head of Midwifery & Nursing in post from August. Review of Maternity and Children undertaken 21 July 2016 - positive feedback.	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 Sept 2016	Risk Rating movement
					HEE Non-Medical Quality Improvement performance Framework (QIPF) - assessment 15 June.- extremely positive assessment (Green) Royal College review of Urology commissioned - 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 - final report pending. Areas of concern: – • Trauma Team Activation • CT imaging • Following trauma patients Nurse capacity risk persists. International recruitment pipeline challenging New agency provision secured with improved fill rates from mid-August and subsequent improved ability to staff escalation beds. Norfolk and Suffolk have submitted a collaborative bid to pilot band 4 nursing roles. Recruitment Event - 14 Sept. Medical staff gaps (consultants and Juniors) identified. Difficult to attract quality locums - rate cap impacting. Further Junior Doctor gaps anticipated from August onwards due to training fill-rates and facility for JDs to choose placement locations. Workforce Transformation plans in development, joint appointments, new ways of working, high calibre substantive and agency being secured. 16/17 Quality Priorities to EDs in March 2016 and then to Quality Committee and Governors' Council. Patent Experience Strategy - BoD - May 2016. Corporate Governance Statement approved by BoD in June 2016.	

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Sept 2016	Risk Rating movement
					Well-Led Framework for Governance self- assessment in progress - external review to be commissioned in 2017 in-line with regulatory expectations - aligned with 'well-led' CQC domain. Risk Committee in place and reporting to the Board, monthly. Risk Management Strategy approved. Review of all departmental risk registers undertaken at Risk Committee. 2015/16 Risk Management Internal Audit - 'amber/green' New Head of Risk and Governance from September 2016.	
2	Unable to maintain Trust financial viability without significant deterioration in service quality	**5**	**16**	**12**	RAF - Financial Sustainability Risk - 2. APR assumptions accepted by NHS Improvement - other than level of capital funding availability - no certainty on agreement of timetable for approvals. Key delivery risks identified as agency reduction, CIPs delivery and joint income assumptions with commissioners. Business Planning risk identified re: - Capex, Workforce Transformation, Income delivery, CIP delivery. Provider Licence Compliance declaration to BoD - May 2016. Current Plan still leaves the Trust with a residual deficit of approx. £10m. Current STP does not restore Trust to financial balance. Revised STP to be submitted 21 October. 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) Agency bill and workforce issues remain key financial risks. Activity assumptions in line with CPT modelling (demographic growth and repatriation of elective activity (orthopaedics). Key risk identified -	**Board 'Top 3' Risk** Residual Risk reduced to 15 (possible x major) due to RAF - Continuity of Services Risk – 2, delivery of 2015/16 plan and transformation work taking place at trust and Norfolk-wide-level Long-term financial sustainability without transformational change remains a significant challenge. Control target of -£5.3m agreed with Monitor for 2016/17, predicated on Transformation funding available, subject to operational performance. Financial sustainability challenge will continue into next financial year.

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					both commissioner and trust assumptions for non-elective activity is 2% increase, which is less than the 6% experienced in 2015/16.	
3	Unable to develop effective partnerships that lead to transformative care pathways for patients	**8**	**12**	**12**	2016/17 APR final draft submitted. Governors' views taken into account. Transformation Programme reporting to TEC 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. STP revised plan due to be submitted - 21 October 2016. Board:Board with CCG to discuss strategic options - 30 Sept. Norfolk Provider Partnership MoU signed and publicised January 2016 - key regional strategic partnership to provide mutual support and explore and deliver shared solutions. Clinical Strategy endorsed by Board - identifies potential for different ways of delivering services. Transformation Programme in place and working on key projects. WN Transformation Board & Oversight Group in place to take forward the CPT recommendations. Macmillan / QE Cancer Strategy - funding approved following 'visioning' day - launch event - July 20 2016 2015/16 activity outturn position agreed with CCG without need for arbitration. Contracts agreed with Commissioners Activity assumptions in line with CPT modelling (demographic growth and repatriation of elective activity (orthopaedics).	No movement in reporting period – pending STP development and local discussions with CCG

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					Trust working with CCG and external providers to secure support for demand management and discharge for medically fit patients - 30 beds to be secured (Nursing/Residential/Virtual) Acute Services Review commissioned (KPMG) - using CPT report as baseline - outturn report pending.	
4	Failure to develop appropriate workforce capacity and capability that reflects a culture of excellence	**8**	**16**	**16**	Workforce forecast 2015/20 submitted to HEEoE . 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 from May 2016 Supplier Engagement Event held re medical recruitment in July - additional agencies signed up. Trust exploring options for additional support for managing the Trust's temp. nursing capacity requirements. 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 Values and behaviours assimilated into recruitment (Values-Based Recruitment) and into appraisal / objective setting. 'First Care' - external sickness absence management support in place from April 2015. Contracted for a further year - additional management training and embedding of processes planned. Detailed	**Board 'Top 3' Risk** Residual Risk remains at rescored 16 (4x4) Recruitment / retention in key areas remain challenging.

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					action plan in place. Sickness absence, appraisal, training - see IPR and Workforce Exceptions report. Recognition / Reward for staff with 12 month absence-free record to be introduced. 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. Additional resourcing on wards should enable staff to be freed up to attend Mandatory Training. 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. BoD to appoint Freedom to Speak Up Guardian by October 2016. Raising Concerns / Whistleblowing Internal Audit complete - draft report pending.	
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 underway / planned: - West Newton refurb - complete - Theatres upgrade - Theatre 5 complete - Theatre 6 ahead of schedule and complete by Nov 2016 - Theatre IT - approved - 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.	**Board 'Top 3' Risk** Longer term Estates Strategy in development and will be driven by the Clinical Strategy – to Board in April 2016 The Board has received assurance of improved momentum on Estates projects and welcomed the Estates / Space Utilisation Vision in October 2015. However the BoD recognises the CAPEX funding risk for

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Sept 2016	Risk Rating movement
					Capital programme likely to be significantly restricted in 2016/17 due to availability of funding. Fire Officer and Fire Team in place Risk Committee keeping Estates Risks under review. Estates and Infrastructure Risks identified on Corporate Risk Register. Board report on updated position re Fire Risk - April 2016. Medical Gases valve work complete. Estates / Facilities Strategy to Board - April 2016. Ward decant / refurb work complete. 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 STP Estates workstreams - chaired by Trust's Estates lead. Estates Strategy to be aligned with STP Estate Plans	2016/17. 4 of the risks identified as at or above a score of 15 on the Corporate Risk register relate to the estate. The BoD recognises that clear mitigations are in place.
6	Unable to retain and/or build and embed leadership capability at all levels within the Trust	**4**	**9**	**9**	Appointment to some key senior positions to be resolved. Revised Operational Management Structure in place. New DD for W&C / head of Midwifery & Nursing in post. Substantive NEDs in post with broad range of skills (inc. clinical, nursing, education, finance) Chair's appraisal undertaken by Governors.	CQC report (August 2015) has provided assurance that Trust is 'well-led'. Residual Risk rating re-scored to 9 in September 2015. Appointment to some key positions to be resolved. New Operational Management Structure in

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Key assurance and new commentary for Sept 2016	Risk Rating movement
					Comprehensive Board development programme in place. CQC (August 2015 report) assessed Trust as 'green' in the 'well-led' domain. Board development programme, in place. Board self-assessment process in place following each Board meeting. 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. Consultant Leadership Development Programme rolled out in 2016. Revised Operational Structure in place from the end of May 2016. Recruitment to posts underway. Associate MDs appointed - September 2016. 16/17 - Divisional Accountability Internal Audit - 'Green'	place – to be embedded. Rating will be reviewed following Well-Led Framework for Governance 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