Agenda Item: 16

REPORT TO THE BOARD OF DIRECTORS (PUBLIC)

RESPONSIBLE DIRECTOR:	REPORT FOR:		IMPACT ON BUSINESS:		
CEO	Decision		High	Med	Low
	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: **26 January 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 January 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 – January 2016

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Commentary	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**	Increased emergency attendances and significant flow issues have contributed to a worsening position on A&E 4-hour standard, ambulance turnaround times, timely discharge, and medical outliers. Failed to achieve A&E standard in Q3. Significant pressure on staffing and periods on 'black alert'. Medical outlier cohorting and ward reconfiguration plans in place Diagnostic commissioned from November 15 to review and address flow issues internally and externally. Improving position on Cancer 62-day standard. Q3 standard achieved (unvalidated). Dec performance better than expected. External support in place re. Cancer pathway improvements sustainability. Issues remain concerning histopathology service - regularly reported to the BoD. Improving position on C.Diff. I MRSA bacteraemia - Dec 2015. Norovirus control good The Trust was reported in December 15 as the subject of an alert as an outlier for surgical site infection relating to knee replacements. Case record review undertaken. Trust is not an outlier. No further outlier alerts received. Reported to the Quality Committee in January. Internal Audits: • IPAC - 2015/16 - Amber/Green • 62 Day Cancer Wait 2015/16 - Amber/Green • Clinical Audit - 2015/16 - Red • Cancelled Operations 2015/16 - Amber/Red • Discharge Planning 2015/16 - Amber/Green SI and Never Events (draft) - Jan 2016 - Amber/Green CQC Inspection report (August 2015) - Much improved inspection findings - 'Requires Improvement' assessment overall. Key areas for improvement - O&G, End of Life Care, Outpatients.	Following the CQC's inspection report of August 2015, identifying significant quality improvements and an overall rating of 'Requires Improvement', the Trust is no longer in 'Special Measures'. Current Residual Risk Rating re-scored as 12 (amber) (possible x major) in September 2015 to reflect independent assurance. Significant progress has been made in respect of the recommendations of the CQC's reports. The Trust is re-focusing on the Aiming for Excellence programme and compliance with the CQC Fundamental Standards from January 2016.

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Commentary	Risk Rating movement
					EOL • New 'End of Life' Care Co-ordinator recruited. • Mortuary / bereavement suite improvements complete. • Registrar offering on-site service. • Specialist palliative care to move to NCH&C and Tapping House. Non-specialist EoL care remains with Trust. Lack of medical EoL staff remains a risk. • Preferred place of death baseline established. • Audit to measure compliance with NICE EoL standards being undertaken. **O&G** • MLBU open. • External support (CQC Inspector) secured - labour ward lead (safety and governance on delivery suite) • Instrumental delivery trainer procured. • Support for development of new workforce model for obstetrics in development. **Outpatients** • Hub Vision developed. Work being undertaken on DNA and ASI rates. • Quality Improvement Group in place - chaired by CEO. • Process for addressing CQC concerns / QRP alerts in place with Exec. and QIG oversight. Royal College of Obs and Gynae review reported to Quality Committee - July 2015. Significant leadership, team and process issues identified. Action plan being monitored HEEoE / GMC 23 September - outturn report critical (Inc. tracking, Junior Doctor supervision and engagement). Return visit expected summer 2016. • Revised clinical handover process in place. Electronic Solution identified (Nerve Centre) - in place 2016. • Junior Doctor Forum in place and 'mess' refurbishment almost complete. • Patient tracking improved. • Still challenged on rota capacity, esp. in medicine GMC visit 04 November 2015 - positive feedback Inc. leadership,	

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Commentary	Risk Rating movement
					engagement, clinical opportunities for Junior Docs) Trust insight demonstrated re. areas for improvement e.g. hospital at night CCG - Readmissions Audit - outturn report - reported to Quality Committee in Jan 2016 - actions / next steps in development. FFT Response Rate - just below 20% for A&E. Overall, above national average response rates. FFT engagement challenging in areas for older people. Additional capacity in place to assist with FFT response forms collection. Feedback score mid-pack for maternity and A&E but low for Inpatients. A&E -ive feedback relates to delays and waiting area. NHS Choices feedback more positive Deteriorating position re. Nurse fill rates escalated to EDs, Quality Committee and BoD - Jan 2016 Significant Nurse capacity risk identified through winter - high sickness levels in some areas, some retention issues, availability of agency nursing and additional staffing pressures due to the need to open additional escalation beds through the winter. Potential impact on Quality identified. Agency staff proving difficult to secure. Mitigation plan shared inc. nurse supervisory time reduced to 7.5 hrs per wk. Matrons, Practice Nurses and some CNS supporting wards on clinical shifts Non-EU recruitment - nurses to be added to 'shortage occupation list' as a temp. measure. 15 certificates of sponsorship secured - but not valid until January 2016. Further 20 certificates of sponsorship secured - Jan 2016. Non-EU pipeline won't have a positive impact until May 2016 Medical staff gaps (consultants and Juniors) identified. Difficult to attract quality locums - rate cap impacting.	
2	Unable to maintain Trust financial viability without significant deterioration in service quality	**5**	**16**	**16**	RAF - Continuity of Services Risk- 1. Trust in breach of terms of licence. Business Planning process agreed for 2016/17 aligned with Clinical Strategy.	**Board 'Top 3' Risk** Residual Risk remains at 16 due to RAF - Continuity of Services Risk -1. Trust in

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Commentary	Risk Rating movement
					Business Plan timetable being delivered in accordance with Monitor deadlines - draft assumptions to BoD in January 2016. Business Planning workshop held on 19 Jan 2016 Monitor / DoH guidance on business planning requirements and support for 2016/17 considered at key committees and BoD in Jan 2016 2015/16 IA programme • Accounts Receivable - Amber/Green • Financial Systems: Payroll, Accounts Receivable and Accounts Payable - Green • Job Planning - Amber/Red CIP Programme - for 2015/16 agreed - £2.7m. CIP 2014/15 Internal Audit Report - Amber/Green. All CIPs / Transformation Projects signed off with CCG re Quality Impact Assessments. December - CIPs delivery adverse to plan. Approx £0.5m under-delivery - partially off-set by under spends Trust off plan YTD in Dec 2015 - by £0.7m due largely to underdelivery of activity / income. SLR plan developed to support requirements around local tariff uplift. Trust SLR commitment reflected in Section 106 undertakings. SLR delivery plan progressing as planned. PMO support for SLR development secured. New SLR system procurement progressing - contract award end Jan 2016. F&P and SLR group sighted	breach of terms of licence. Long-term financial sustainability without transformational change remains a significant challenge.
3	Unable to respond to commercial opportunities and/or develop effective partnerships that lead to transformative care pathways for patients	**8**	**12**	**12**	Transformation Programme reporting to Board monthly. Currently (July 2015) 11 projects in Transformation programme. Transformation Committee ToR reviewed to include oversight of delivery of short-term efficiencies and productivity. Joint (CCG and QE) response to CPT outturn report presented for approval at July private Board. Clinical Strategy endorsed by Board -aligned with joint CPT response. Capital programme re-prioritised - pending Monitor response on	The Trust has developed its Transformation Programme, and Clinical Strategy, has agreed the joint response to the CPT findings and is exploring opportunities for regional partnership work - providing the Board with increased confidence that the Trust has a clear strategy that involves working in

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Commentary	Risk Rating movement
					funding approval. DoH looking for slippage on Capital to support national position - £1m of slippage identified. Business Cases: • Theatres and Sterile Services Business Case to F&P/Board - July 2015. • Theatres IT - July 2915 (F&P) • Windsor Ward refurbishment - Sep 2015 • Theatres Business Case approved - Dec 2015 • Breast Unit case approved – Dec 2015 Joint Action Planning in response to CPT recommendations Joint (CCG/QE) response to CPT outturn report to private Board in July 2015. WN CCG Transformation Board & Oversight Group in place. Norfolk Provider Partnership MoU agreed - and publicised Jan 2016 Significant Mental Health service provision concerns (timely assessment and move to suitable bed) identified and reported to Quality Committee - Jan 2016 Urgent need to agree with CCG and partners, internal and external response to emergency pathway issues Issues identified concerning QE contract over -performance / CCG demand management / QIPP/ contract penalties	partnership for the benefit of patients. The Trust's Business Planning process and timetable for 2016/17 has been agreed and Business Planning is underway. The Norfolk Provider Partnership Memorandum of Understanding was signed in January 2016, representing significant opportunities for finding shared solutions o Trust and service delivery issues. The residual risk rating remains at 12 due to ongoing QE/CCG varying planning assumptions, which should be resolved through joint post CPT working.
4	Future patient / service user needs are not best met by Trust business model and structure	**5**	**12**	**12**	Board and CCG Governing body signed-off joint response to CPT report - July 2015 - actions reflected in QE section 106 undertakings with Monitor. Trust Clinical Strategy agreed by Board - aligned with joint CPT response. Post CPT - WN CCG Transformation Board & Oversight Group in place. Work needs to secure alignment of 15/16 assumptions, 16/17 assumptions and key transformational workstreams. EPA contract arrangements and	Board and CCG Governing Body agreed joint response to CPT report - July 2015 - actions reflected in QE Section 106 undertakings with Monitor and emerging Clinical Strategy The Board has greater confidence that future patient / service user needs can be met by a Trust business

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Commentary	Risk Rating movement
					Vascular services arrangements in place. Ongoing concerns identified regarding service from Histopathology contract - evidence of improving histopathology turnaround times but additional concerns identified latterly concerning accreditation visit issues and requirements re lab capacity and the potential impact on service. 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 11 key projects. MLBU - open Dec 2015. Home birth options being worked up.	model and structure, defined by the Clinical Strategy, Transformation work and the potential for strategic partnership working through the Norfolk Provider Partnership.
5	Failure to develop appropriate workforce capacity and capability that reflects a culture of excellence	**8**	**16**	**16**	Significant Nurse capacity risk identified through winter - high sickness levels in some areas, some retention issues, availability of agency nursing and additional staffing pressures due to the need to open additional escalation beds through the winter. Potential impact on Quality identified. Agency staff proving difficult to secure. Mitigation plan shared inc. nurse supervisory time reduced to 7.5 hrs per wk. Matrons, Practice Nurses and some CNS supporting wards on clinical shifts Re. Non-EU recruitment - nurses to be added to 'shortage occupation list' as a temp. measure. Further 20 certificates of sponsorship secured - Jan 2016. Non-EU pipeline won't have a positive impact until May 2016 'First Care' - external sickness absence management support in place from April 2015. Target: 3.5% - Dec performance: 4.86% Appraisal target: 90%. Dec performance: 82.05%. Revised Appraisal process in place from April 2015. Training / support workshops offered for appraisers. 'Mandatory Training' - Target: 85% Performance: (Dec) 90.55% for all 21 Mandatory Subjects	**Board 'Top 3' Risk** Residual Risk remains at rescored 16 (4x4) Recruitment / retention remain challenging. Additional challenges have and escalated in January 2016 concerning the staffing of escalation areas and additional beds to address the Trust's winter pressures.

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Commentary	Risk Rating movement
					Job Planning panel of CDs in place to review all plans and ensure consistency and fairness. Capacity and Productivity tools to be used. Job Planning internal audit - amber/red Medical staff gaps (consultants and juniors) identified. Difficult to attract quality locums - rate cap impacting. Trust is holding the line on agency rates. High calibre Physicians' Associates recruited. The 2015 Staff Survey has closed and initial results have been received from Quality Health with the full report due in February 2016. Initial results to BoD - Jan 2016 The initial results show a slight improvement overall on the 2014 survey, with 58% of staff who completed the survey either agreeing or strongly agreeing that they would recommend this Trust as a place to work, up from 51% in 2014. Once the full report is received, results will be reviewed and an action plan put in place on how to address any resulting issues.	
6	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**	Reprioritisation of West Newton Ward refurb and CHP delivery. West Newton open on 22 July 2015. Estates work underway / planned: - Theatres upgrade - approved - Theatre IT - approved - Wi-Fi - June 2016 completion - Windsor Ward refurb - MLBU - complete - Mortuary - complete - Breast Unit - approved Capital / Space Utilisation Vision presented to Board - October 2015. DoH looking for slippage on Capital to support national position - £1m of slippage identified. Risk Committee keeping Estate Risks under review. (See July 2015 / Dec 2015 Risk agenda and minutes)	**Board 'Top 3' Risk** Longer term Estates Strategy in development and will be driven by the Clinical Strategy. The Board has received assurance of improved momentum on Estates projects (Sept 2015 Board report) and welcomed the Estates / Space Utilisation Vision in October 2015.

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					Estates and Infrastructure Risks identified on Corporate Risk Register. Strategic Estates Support secured. Board report on updated position re Fire Risk - December 2015.	
7	Unable to retain and/or build and embed leadership capability at all levels within the Trust	**4**	**9**	**9**	All Exec Director posts substantive. Substantive appointment to Director of Operations and Service Support from January 2016. Appointment to some key senior positions to be resolved. Medical Director structure, Divisional Structure, HR Structure reviewed. Board / VSM / Interim guidance to be recommended for approval at Nomination and Remuneration Committee meeting in Jan 2016. NED recruitment - 2 new NEDs (1 quality and 1 finance specialist) from 03 August 2015. NED (Clinical Education expertise) from January 2016 CQC (August 2015 report) assessed Trust as 'green' in the 'well-led' domain Medical Director structure currently under review Clinical Leadership Development programme agreed - to be rolled out in 2016.	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.

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