Agenda Item: 15

The Queen Elizabeth Hospital NHS
King's Lynn
NHS Foundation Trust

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 Company Secretary	Strategic	✓	ALL		
	Operational				
	Governance		**RELATED WORK: (PREVIOUS PAPERS TO COMMITTEE)**		
PEER ASSIST:	**PEER REVIEW:**				
Executive Directors					

CQC Essential Standard Ref:	All
NHSLA Standard Ref:	All
Media / Communications:	NA

Meeting Date: **27 May 2014**
Report Title: **Board Assurance Framework**

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

Summary: The BAF has been updated with the current performance data reported on the Board's Dashboard, weekly performance updates and Executive Director input since the Board's review of the BAF in March 2014.

The definitions used for the development of the BAF and the Trust's risk scoring methodology are attached at **Appendix 1**. This methodology has been utilised to RAG rate the target risks and residual risks set out in the BAF.

The Heat Map methodology used to assess the strength of the Board's sources of assurance for this exercise is set out at **Appendix 2**. The BAF for May 2014 is at **Appendix 3**.

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 to the delivery of the strategic priorities
- Consider the relative strength of the sources of assurance on control
- Commission additional work to:
  - strengthen controls
  - strengthen sources of assurance
  - undertake additional actions to mitigate risks
  - triangulate information according to identified themes

1. Introduction

The BAF has been updated since the Board's review in March 2014.

The BAF and BAF commentary will focus the Board's attention on:

- High strategic risk i.e. 'red' risks
- The rationale for residual risk ratings
- The status of risks where the residual risk has changed since the last review
- Risks where there are high / increasing levels of residual risk and relatively weak sources of assurance
- Key mitigating actions

2. BAF Commentary – May 2014

2a. Red risks:

Risk 1 - Failure to provide safe, effective care for patients, resulting in poor patient outcomes

This risk has been scored at 4x4 due to quality concerns raised through 2013 RRR and CQC Inspections, the Risk Summit (August – September 2013) and the Quality Governance Review.

The Trust has developed and submitted to Monitor, an Integrated Quality Improvement Plan, which is being delivered in line with an agreed timetable and utilising a PMO monitoring approach, recommended by Monitor.

Other measures being undertaken:

- The Trust has appointed an experienced Quality Improvement Director to oversee and drive quality improvement
- Local and overseas nurse recruitment and regular daily assessments of safe nursing levels
- Independent review of Obs and Gynae services
- CEO chairing the Quality Improvement Delivery Group
- Specific and rigorous scrutiny of improvements delivered in response to the CQC's warning notices
- External mock CQC visits

Good progress has been identified in the areas of concern raised through the CQC's warning notices i.e. nurse staffing levels and safeguarding. However, there is still much to do in respect of medicines management and record keeping.

The Trust expects a CQC inspection on 1 July 2014.

Risk 3 - Inability to align demand and capacity, resulting from or leading to staff shortages and resulting in cancelled elective work and operational pressures.

Residual risk scored at 4x4, due to staffing issues (particularly nurse staffing) identified and also highlighted by the RRR, Risk Summit and the CQC's May and August Inspections.

The Trust continues to drive its nurse recruitment programme and adherence to agreed minimum nurse:patient staffing ratios. These levels are being achieved consistently but not without risk and staff movements. Other mitigations include 3 times daily ward risk-assessment process in place to ensure safe nurse staffing levels, acuity modelling and bed closures where necessary, in place to ensure safe levels of staffing. The Trust continues to strive to deliver its objectives in respect of supernumerary staff/managers on wards.

A 'Buddying' arrangement has been established with GSTT on nursing capacity and acuity modelling.

The Board considered nursing and midwifery numbers further in March, following a skills mix review.

<u>Risk 4</u> - Inability to address internal access and patient flow issues, exacerbating operational pressures and resulting in cancelled elective work, lost income and an adverse impact on quality

Residual risk rated at 4x4, due to:

- Flow and capacity issues
- A&E Infrastructure
- A&E 4 hour access target – continuing issues

Winter monies were secured and the A&E extension opened in March.

The Trust achieved the 95% A&E target for Q4 2013/14 for the first time since 2012. The Trust has experienced difficulties in sustaining performance and work continues to identify and address the causes of emergency flow issues..

The Trust's Ambulatory Care Unit has received very positive feedback from patients.

<u>Risk 5</u> - Effectiveness of the system-wide response to emergency access and intermediate care issues, resulting in poorly integrated patient pathways and delayed discharge

Residual risk rated at 4x4, due to continuing issues with A&E attendances and discharge.

Risk maintained at 4x4 pending completion of system-wide review, evaluation of success of additional mitigations and delivery of RRR/CQC/Risk Summit action plans.

An Urgent Care Pathway Task Group has been established from January 2014.

<u>Risk 6</u> - Poor marketing of the Trust's services, leading to patients choosing to receive services elsewhere

Risk rescored at 4x4 (amber in July 2013) – due to potential for reputational damage to adversely impact patient choice.

The Trust has developed a communications and engagement plan to support the delivery of the Integrated Quality Improvement Plan and to deliver against the Trust's enforcement undertakings with Monitor. A programme of listening events for staff and patients was conducted in March and April 2014.

The Trust's progress in delivering its Quality Improvement Plan is being reported to Monitor on a monthly basis for publication on NHS Choices.

Media and staff updates are being made in respect of the Trust's progress in delivering its Quality Improvement Plan.

<u>Risk 7</u> - Failure to develop commercial business models and contracting/commissioning relationships which are in the interests of the Trust, resulting in loss of key services, critical mass risk and increase in financial/viability risk

Risk rated as 'high', due to continued financial sustainability concerns.

Risk rescored at 4x4 (4x5 in July 2013) due to positive engagement of healthcare community partners in system-wide review.

2014/15 contract in place inc. CQUINS.

<u>Risk 8</u> - Inability to agree and deliver realistic plans, leading to failure to secure a short-term balanced budget and longer term financial viability

Residual Risk re-scored at 5x4 (from 4x4), due to:

- Deficit of £13m for 2013-14 (plan for -£3)
- Trust in breach of the terms of its licence conditions - Monitor concerned about Trust's financial sustainability

In February 2014 the Trusts BSP approach was disbanded (BAF – risks 8 and 9 amalgamated from May 2014) and replaced with a financial recovery programme. A detailed financial recovery plan is being developed and a Financial Recovery Plan Oversight Group has been established..

CIPS are and efficiency plans are being worked up and delivery driven and overseen by the PMO.

Accountability Agreements are currently in development for all specialities.

Individual specialty targets have been set and are being monitored through the 'magic numbers' methodology.

The Trust has introduced a Business Planning Committee and Working Group.

<u>Risk 10</u> - Inability to drive a system-wide approach to sustainability, leading to a failure to achieve integrated services, and a threat to local services

Residual Risk rated at 4x4 due to continuing sustainability concerns.

The Trust's relationships with its partners are improving and becoming more co-operative. The Trust is engaged in a system-wide sustainability review, being led by the CCG.

Monitor has announced its intention to appoint a Contingency Planning Team for the Trust, likely to begin work later in 2014. The Contingency Planning Team will work with the Trust and the CCG to safeguard patient services.

3. BAF 2014/15

The Board will articulate its strategic objectives for 2014/15 and identify the principal risks to delivery at its workshop in June 2014. The Trust's Internal Auditors will also be engaged to review the format of the Board Assurance Framework, which will also be considered and agreed in June.

4. Recommendations

The Board is invited to:

- Endorse the principal risks to the delivery of the strategic priorities
- Consider the relative strength of the sources of assurance on control
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  - strengthen controls
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BAF Definitions

Principal risks
What could prevent this strategic priority being achieved?

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)

Positive assurances
What evidence do we have that shows we are reasonably managing our risks and our objectives are being delivered?

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

Residual level of risk
What residual risk score remains when current controls are in place? ● *= previous RAG rating*

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

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 addressed?

Risk Scoring Matrix

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