Agenda Item: 15

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: **24 November 2015**
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 November 2015.

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 - November 2015

	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. • Improving position on Cancer 62-day standard. Trust likely to achieve standard in October and November (unvalidated). Individual specialty pathways and patients currently being micromanaged. Risk identified concerning sustainability of position. • Infection Prevention and Control position has deteriorated (C.Diff, MRSA colonisation). Evidence of transmission. • Norovirus impacting on several wards. • HSMR - for Aug 14 - July 15 remains lower than expected at 88.9. • The Trust is an outlier for surgical site infection relating to knee replacements – higher rates have been reported for the last 4 quarters. 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 • CQC Inspection report (August 2015) - Much improved inspection findings - 'Requires Improvement' assessment overall. Key areas for improvement - O&G, End of Life Care, Outpatients. • Quality Committee monitoring improvements - O&G - August and September 2015. End of Life Care - October 2015. • New 'End of Life' Care Co-ordinator recruited. • Mortuary / bereavement suite improvements complete. Registrar offering on-site service • Quality Improvement Group in place - chaired by CEO. • Process for addressing CQC concerns / QRP alerts in place with Exec. and QIG oversight.	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. The Trust is experiencing several quality challenges currently and the Trust must establish 'grip' and drive to ensure the sustainability of improvements identified by the CQC in June.

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Commentary	Risk Rating movement
					• CQC Outpatient Mock Inspection undertaken in November - report pending. • Royal College of Obs and Gynae review reported to Quality Committee - July 2015. Significant leadership, team and process issues identified. • HEEoE / GMC 23 September - outturn report critical (Inc. tracking, Junior Doctor supervision and engagement) • GMC visit 04 November 2015 - positive feedback Inc. leadership, engagement, clinical opportunities for Junior Docs) Trust insight demonstrated re. areas for improvement e.g. hospital at night • Dr Foster - 1 alert re. pleurisy, pneumothorax, pulmonary collapse • CCG review of Maternity and Children undertaken. • Lincs CCG review of Critical Care - positive outcome • CCG - Readmissions Audit - outturn report pending. • FFT Response Rate - 'green' for all areas. • Feedback score mid-pack for maternity and A&E but low for Inpatients. • Deteriorating position re. Nurse fill rates. • 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. • Re. 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. • Improved position on Pressure Ulcers. This needs to be sustained. • Concerns re. falls trend identified.	
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. • APR update report to Board in August 2015. • Trust awaiting final confirmation of loans • Business Planning process agreed for 2016/17 aligned with Clinical Strategy. • Business Plan timetable being delivered - regular updates to Board. • CIP Programme - for 2015/16 agreed - £2.7m.	**Board 'Top 3' Risk** Residual Risk remains at 16 due to RAF - Continuity of Services Risk -1. Trust in breach of terms of licence. The Trust is committed to delivering its financial plan for

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Commentary	Risk Rating movement
					• 11 projects currently live in Transformation Programme • CIP 2014/15 Internal Audit Report - Amber/Green. • All CIPs / Transformation Projects signed off with CCG re Quality Impact Assessments. • October - CIPs delivery adverse to plan. £0.4m under-delivery - being off-set with non-recurrent measures e.g. rigorous vacancy management. • Budget agreed for 2015/16 - £13.9m, subject to post APR review by Monitor re. revenue, capital, cash and activity. Monitor requires £600K 'stretch' to plan. • Trust off plan YTD in Oct 2015 - by £0.6m. • Activity Plans - £3m gap in QE/CCG activity assumptions. • 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 secured for SLR development	2015/16 – though long-term 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**	• APR submitted in line with Monitor's deadline. APR update report to Board - August 2015. • 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 funding approval. DoH looking for slippage on Capital to support national position - £1m of slippage identified. • Estates Strategy Group being constituted in line with Clinical Strategy. • Strategic Estates support secured - June 2015 • 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 • Opportunities to strengthen regional partnership being explored by CEO.	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 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 residual risk rating remains at 12 due to ongoing QE/CCG varying planning assumptions, which should be

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Commentary	Risk Rating movement
					• Post CPT WN CCG Transformation Board & Oversight Group in place. • Contract for 2015/16 signed - some varying assumptions (£3m) - notably QIPP. • Issues identified concerning QE contract over -performance / CCG demand management / QIPP. • All CQUINs agreed.	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, 17/18 assumptions and key transformational workstreams. • Opportunities to strengthen regional partnerships being explored by CEO. • Clinical Strategy endorsed by Board - identifies potential for different ways of delivering services. • Transformation Programme in place and working on 11 key projects. • MLBU - expected to be open by end of November.	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 model and structure, defined by the Clinical Strategy and the work of the post CPT QE/CCG/Community transformation work
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. • Re. 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. • Nurse Skill Mix Review to Board quarterly. • Agency restrictions imposed not an issue in Q3 as agency staff is difficult to secure. • 'First Care' - external sickness absence management support in place from April 2015. October sickness absence - 4.72% • August Appraisal rates - 84.08%. Revised Appraisal process in place from April 2015. Training / support workshops offered	**Board 'Top 3' Risk** Residual Risk remains at rescored 16 (4x4) Recruitment / retention remain challenging. Additional challenges have been identified in November concerning the staffing of escalation areas and additional beds to address the Trust's winter pressures.

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					for appraisers. • 'Mandatory Training' - for core 13 subjects 89.52%. Outliers - IG only core subject not 'green'. • Rolling programme in place to complete all job plans within the year. • Job Plans to be completed by mid-December 2015. • Job Planning panel of CDs in place to review all plans and ensure consistency and fairness. Capacity and Productivity tools to be used. • Medical capacity benchmarking exercise in place with James Paget hospital - visit on 10/11/15 to look at conversion rate, AEC, External support and front door management • The 2015 Staff Survey is approaching its conclusion. Surveys were distributed week commencing 28th September to 800 randomly selected Trust staff. • Potential for Junior Doctors' Industrial Action - Dec 2015 • 1 anonymous report to CQC in November 2015 - under investigation for 23 November response. • Revised Whistleblowing Policy approved by JSCC and to be ratified by Workforce Committee in Dec 2015. • Monitor is currently consulting on a national Whistleblowing Policy - Trust compliance will be measured through the 'Well-led' framework criteria.	
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**	**16**	**12**	• Reprioritisation of West Newton Ward refurb and CHP delivery. West Newton open on 22 July 2015. • Capital and Backlog Maintenance programmes re-prioritised with Monitor and reflected in the APR - awaiting loan funding confirmation - further re-prioritisation may be required. • Estates work underway / planned: - Theatres upgrade - Theatre IT - Wi-Fi - E-Discharge - E-Handover - Windsor Ward refurb - MLBU - Mortuary - Breast Unit • Capital / Space Utilisation Vision presented to Board - October 2015.	**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. The Board is invited to consider reducing the residual

	Strategic Risk	Target Risk	Previous Residual Risk	Current Residual Risk	Commentary	Risk Rating movement
					• DoH looking for slippage on Capital to support national position - £1m of slippage identified.	risk to 12 (possible : major) to reflect its increased confidence, mindful that the position will need to be kept under review in respect of DoH funding approvals.
7	Unable to retain and/or build and embed leadership capability at all levels within the Trust	**4**	**9**	**9**	• Transformation Committee seeking alternative models of service delivery - potential for back-office / front office. • HR function currently being reviewed and reorganised to provide best-fit support service for Trust. • All Exec Director posts substantive except Interim COO. Substantive appointment from January 2016. • Revised Management Structure agreed to underpin Quality Governance. • Revised Operational Management Structure agreed - June 2015 - 2 new CDs. • Quality Governance structure agreed. • TEC structure and ToR revisited to strengthen tactical leadership and accountability. • Management strengthened. • Matron refocus - 'Leading the way' programme expected to deliver stronger leadership on the wards. • NED recruitment complete - 2 new NEDs (1 quality and 1 finance specialist) take office from 03 August 2015. Transformation / clinical specialism NED from November 2015 • Comprehensive independently facilitated Board development programme in place. • TEC structure and ToR revisited to strengthen tactical leadership and accountability. • Revised CD Job description agreed - drives leadership, accountability and governance engagement. • Monthly RO meeting for consultants in place • Associate MD for Education responsible for development of educational and clinical supervisors • Divisional Management Structure re-designed to align triumvirate on Medicine, Surgery and Core Services. Supporting Senior Nurse structure published in August 2015 • Appointment to some key senior positions to be resolved.	CQC report (August 2015) has provided assurance that Trust is 'well-led'. Residual Risk rating re-scored to 9 in September 2015. Risk remains - appointment to some key senior 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