

TRUST BOARD

Title:	Board Assurance Framework
Action:	FOR DISCUSSION
Meeting:	10 January 2018

Purpose:

The purpose of this report is to present the updated Board Assurance Framework (BAF) for 2017/18 from the November 2017 Board Committee meetings.

The Trust uses a web based risk register. **Annexes A1 and A2** are an extract of all the Board Assurance Framework risks currently on the Trust risk register.

Recommendation:

The Trust Board is asked to note the continued development of a new Board Assurance Framework and review and discuss the contents of this report.

The Trust Board is asked to review the current Board Assurance Framework and:

- ❖ Determine whether there is reasonable assurance from the Board meeting discussions to add to the Board Assurance Framework.
- ❖ Review gaps in control and assurance to determine whether an issue is being managed or whether it should be escalated for further Board scrutiny/discussion attention.
- ❖ Provide any views on risk appetite on any Board Assurance Framework risk area.

	Name	Title
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Executive sponsor:	Matthew Winn	Chief Executive

1. Introduction

The Trust's Board Assurance Framework (BAF) incorporates a register of the principal risks faced by the Trust in meeting its principal objectives. It provides the Trust with a clear and comprehensive method of describing the organisation's objectives, identifying the main risks to their achievement and the gaps in assurances on which the Board relies.

The Board Assurance Framework is developed by identifying the principal risks that may threaten the achievement of the Trust objectives. It includes the following information:

- ❖ details of the key controls in place to mitigate identified risks
- ❖ assurances that those controls operate effectively
- ❖ gaps in controls and/or assurances
- ❖ key performance indicators/outcome measures
- ❖ the action plan.
- ❖ the risk (risk score) based on the Trust's risk matrix.

The Board Assurance Framework will be maintained by the Assistant Director of Corporate Governance, and updated as new data becomes available. It will be reviewed quarterly by the Audit Committee. Other Board sub-committees will review relevant risks in line with their terms of reference and annual cycle of business. The Audit committee will have oversight of all risks and will review all risks twice a year. The Board Assurance Framework will be presented to the Trust Board twice a year.

'Board Assurance Framework Risks' refers to:

- ❖ all strategic risks owned and managed by the Executive;
- ❖ all other Trustwide risks; and
- ❖ directorate risks meeting the threshold to be reportable to the Board and its subcommittees i.e. 12 and above.

2. Executive Summary

- 2.1 The Board can take **reasonable assurance** of the Trust's risk management and assurance process. This opinion is based on the assurance processes detailed below.
- 2.2 The Executive conducted its monthly review of strategic risks on 19 December 2017. This included a discussion of whether any new risks should be added to the risk register. In addition, the Executive also reviewed all risks scoring 12 and above. Following the review, a number of improvement actions were agreed and are currently being implemented.
- 2.3 The Assistant Director of Corporate Governance reviewed all open risks in December 2017. Identified actions have been discussed with the Service Directors and other relevant leads and are now being implemented.
- 2.4 Following a meeting between the Chief Nurse, Assistant Director of Corporate Governance and Incident, Risk & Safety Manager, the Trust has also developed a risk awareness action plan to strengthen risk management systems and processes across the Trust including further improvements to Datix, introducing new processes for oversight of risks across the Trust and enhancing risk training arrangements.
- 2.5 Internal audit have now completed their annual review of the Trust's risk and assurance systems. A draft report is expected by Friday 12 January 2018. The Trust will review the draft report once it is issued, agree recommended actions with the Internal Auditors and a timeline for implementation of agreed actions.
- 2.6 There are currently 3 risks scoring 15 or above across the Trust:

- ❖ **Risk 2666** - There is a risk that the supply chain contracts for Bedfordshire Community Services are not agreed in time for the contract start date, causing disruption or potential quality impact to day 1 services. This risk has been referred to the Deputy Chief Executive for review. It will be monitored through the Strategic Change Board.
- ❖ **Risk 2615** – There is a risk that if the Child Health provider do not provide quality data in a timely manner, this will impact upon our ability to deliver the National Childhood Measurement Programme, which is a commissioned mandated service for Norfolk HCP. This is a new risk recorded on 19 September 2017. The risk was escalated to the clinical operational board in October.
- ❖ **Risk 1349** – risk relating to an increase in Child and adolescent mental health services (CAMHS) admissions on Holly Ward. The risk was escalated to the clinical operational board in October.

2.7 The Board receives assurance via the Clinical Operational Boards and other subcommittees that any risk scoring 12 or higher is being managed appropriately and that a mitigation plan is in place and working.

3. Changes to Risk Register

3.1 **Table 1** below will show the changes to risk scores since Board Assurance Framework was last presented to the Board including an analysis of trends against each risk.

3.2 There are currently 4 risks on the strategic risk register concerning Board level strategic issues. The details of the strategic risks and mitigation in place are contained within **Annex A1** attached.

3.3 The following new risks were added to the Board Assurance Framework:

Risk 2489 - There is a risk that children and young people referred with musculoskeletal conditions will breach 18 weeks. This risk will be reported to the February clinical operational board.

Risk 2666 - There is a risk that the supply chain contracts for Bedfordshire Community Services are not agreed in time for the contract start date, causing disruption or potential quality impact to day 1 services. This risk has been referred to the Deputy Chief Executive for review. It will be monitored through the Strategic Change Board.

Risk 2667 - There is a risk that as a result of inaccurate TUPE lists for Bedfordshire Community Services, the incoming provider is unable to plan appropriately, which may result in poor service delivery.

Risk 2670 - There is a risk that Service continuity may be compromised during transition in Bedfordshire Community Services due to attrition of staff, impacting on quality and safety of patient care. The risk will be monitored through the Strategic Change Board.

3.4 **Annex A3** below shows an overview of all open risks across the Trust. The Trust currently has 188 open risks across all services.

4. Risk Appetite Statement

Risk appetite can be defined as “the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time” (HM Treasury Orange Book).

The Trust recognises that it is impossible to deliver its services and achieve positive outcomes for its stakeholders without taking risks. Indeed, only by taking risks can the Trust realise its aims. It must, however, take risks in a controlled manner, thus reducing its exposure to a level deemed acceptable from time to time by the Board and, by extension, external inspectors/regulators and relevant legislation.

Any risks falling outside the Trust's appetite should be escalated to the Board or a relevant subcommittee of the Board in line with the agreed escalation framework. The Board has defined the threshold for escalation of risks as follows:

- ❖ All risks rated 12 or above - escalated to the relevant Board level subcommittee
- ❖ All risks scoring 15 or above - escalated to the full Board.

When a risk is escalated to the Board or a relevant subcommittee, the Board/subcommittee will need to review and decide whether the risk is within acceptable risk tolerance for the organisation. Where the Board is satisfied that the risk is within acceptable tolerance and that the appropriate mitigation actions have been put in place including a timeline for when the risk is expected to come down, the risk can be de-escalated. The risk must be escalated again if the score increases, the score does not decrease as expected by a specified date or mitigation actions are overdue.

Methods of controlling risks must be balanced in order to support innovation and the imaginative use of resources. In addition, the Trust will take into account the cost of mitigation and this will help define its risk appetite. As a general principle the Trust will seek to control all risks which have the potential to:

- ❖ cause significant harm to patients, staff, visitors, contractors and other stakeholders;
- ❖ have severe financial consequences which could jeopardise the Trust's viability;
- ❖ jeopardise significantly the Trust's ability to carry out its normal operational activities;
- ❖ threaten the Trust's compliance with the law and other relevant regulations;
- ❖ pose a significant threat to the reputation of the Trust; and/or
- ❖ cause significant harm to the environment.

As such, the Trust will have a low threshold for risk taking when it comes to patients and staff safety. The Trust will have a greater appetite to take considered risks in terms of their impact on operational and reputational issues. The Trust has the greatest appetite to pursue quality improvement and innovation and will take opportunities where positive results can be achieved. Risk appetite will be subject to change, and will be considered and defined by the Trust Board.

Table 1 - Changes to Risk Scores

Risk ID	Risk Description	Risk Score				
		Nov-17	Dec-17	Jan-18	Target	Trend
Strategic Risks						
1320	There is a risk that Services fail to remain compliant with the CQC Fundamental Standards Framework, leading to patient safety incidents, regulatory enforcement action and reduction in confidence from the public and commissioners in specific services.	8	8	8	4	↔
2636	There is a risk that the delivery of high quality care will be adversely affected if levels of staff morale reduce.	9	9	9	6	↔
2257	There is a risk that the Trust becomes financially unsustainable through a combination of events.	6	6	6	6	↔
2610	There is a risk that the Trust doesn't fully identify plans to recurrently deliver the £3m savings target for 2018/19, and the result could be that this could contribute to the Trust being financially unsustainable in the future.	12	12	12	6	↔










Risk ID	Risk Description	Risk Score				
		Nov-17	Dec-17	Jan-18	Target	Trend
All Other Risks Scoring 12 and above						
1349	There has been a significant increase in the number of young people admitted to Holly Ward via CAMH without a medical need.			16	12	↔
2600	There is a risk to the school nursing service redesign delivery programme due to the staffing situation in the service.			12	4	↔
2615	There is a risk that if the Child Health provider (PROVIDE) do not provide quality data in a timely manner, this will impact upon our ability to deliver the National Childhood Measurement Programme, which is a commissioned mandated service for Norfolk HCP.			15	9	↔
2585	There is a risk that without a review of the current HCP input and delivery model within the Norfolk MASH that practitioners operate beyond their capacity and professional boundaries and CCS does not provide the expected input into the MASH of being representative of the whole Norfolk health economy, that partner agencies expect.			12	4	↔
2484	There is a risk that one or more of the remaining four (out of 8) condensing boilers could fail leaving remaining boilers unable to handle the winter load.			12	4	↔
2558	There is a risk to the timely implementation of the new service specification for HCP 0-19 Service in Cams.			12	9	↔
2659	There is a risk that the financial modelling for Bedfordshire Community Services may be inaccurate which will result in inability to deliver the services effectively or exceeding the financial envelope.			12	12	↔
2475	There is a risk that there will be insufficient QIS/RN's to cover shifts on SCBU to safe staffing standards and BAPM standards.			12	6	↔
2630	Lack of capacity at a senior level in the Clinical Medicines Team.			12	2	↔
2346	Reduced Team Manager Capacity to support delivery of HCP 0-19 Cams City & South.			12	2	↔
2655	There is a risk that patients will be admitted to secondary care when their condition could be treated/supported within the community.			12	2	
2489	There is a risk that children and young people referred with musculoskeletal conditions will breach 18 weeks.			12	4	↔
2607	There is a risk that the levels of RNC's will be insufficient to maintain agreed safe staffing numbers and to maintain a RNC:patient ratio of 1:6 on Holly Ward affecting service delivery and patient safety.			12	12	↔
2666	There is a risk that the supply chain contracts for Bedfordshire Community Services are not agreed in time for the contract start date, causing disruption or potential quality impact to day 1 services.			16	12	
2608	There is a safeguarding and security risk due to the obsolete Fob Access Control System in the Children's unit.			12	3	↔
2667	TUPE & Clinical Management for Contract Delivery for Bedfordshire Community Services.			12	8	
2670	There is a risk that Service continuity may be compromised during transition in Bedfordshire Community Services due to attrition of staff, impacting on quality and safety of patient care.			12	8	
2637	There is a risk that this vulnerable group of children's health needs will not be assessed within expected timeframe, therefore impacting upon their well-being. This may also result with a performance notice.			12	2	
2491	Lack of Health Visiting capacity in the Fenland area.			12	12	↔
1934	Children looked after may not have their health needs assessed within 20-days and their health needs not met in a timely way.			12	6	↔

Table 2 - Risk Scoring Matrix

		Likelihood				
		1	2	3	4	5
		Rare	Unlikely	Possible	Likely	Almost certain
Consequence	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

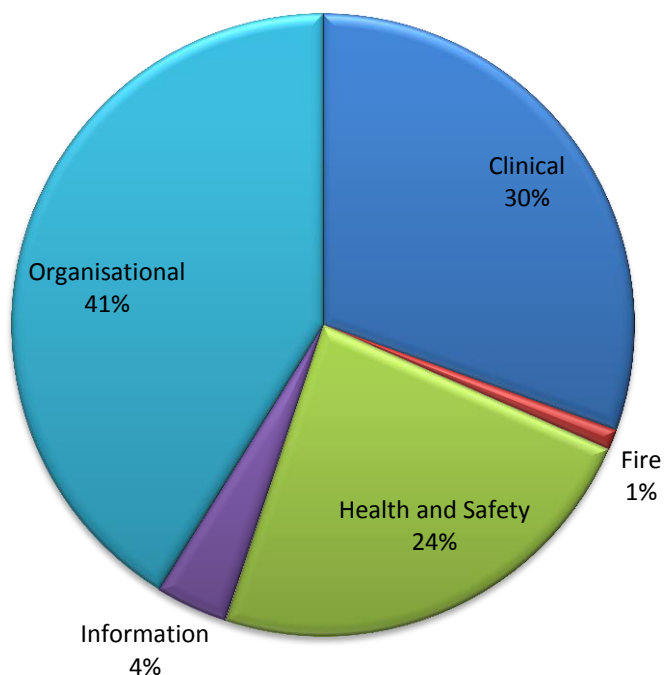
Risk Score = Consequence x Likelihood (C x L)

For grading risk, the scores obtained from the risk matrix are assigned grades as follows

-  1 - 3 Low risk
-  4 - 6 Moderate risk
-  8 - 12 High risk
-  15 - 25 Extreme risk

Annex A3 - Overview of All Open Risks

All Open Risks by Risk Type



All Open Risks by Directorate and Risk level

