

Enclosure 8

Report to:	Trust Board, November 2012
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Title	Board Assurance Framework (BAF)
Sponsoring Executive Director	Director of Corporate Governance
Author(s)	Head of Assurance
Purpose	The Board Assurance Framework allows the Board to focus on the key risks to strategic objectives
Previously considered by	Executive Directors, Risk Committee (Nov 2012)

Executive Summary

The Board developed the Board Assurance Framework in April and May 2012 following 1:1 interviews by an external Risk Management consultant with Board members. Following a period of further review, and a recent Internal Audit, it is suggested that the current risks on the Board Assurance Framework be reviewed to allow a more focussed approach to monitoring by reducing the number of business critical risks from 14 to 6, and that format adopts the DoH and FT Network guidance.

The attached flowchart (attachment 1) summarises the proposed changes to the risk management process within the Trust. These have been discussed and agreed at Executive Directors. The main changes are the establishment of the Risk Committee supported by the Operational Risk Group (ORG). It is proposed that only those risks which directly threaten the Trust's corporate objectives are escalated to the Risk Committee for consideration of inclusion in the Board Assurance Framework. All other risks would be managed at Centre /Department.

The risk descriptions have been reworded to more clearly identify the likely impacts and approved by the Risk Committee (see Attachment 2 which summarises the proposed changes). Each of the BAF risks maps directly to one or more risks on the Trust-wide Risk Register. The Board Agenda is also framed around obtaining assurance on principal risks. The formal sub-committees of the Trust Board also provide additional assurance.

A summary of the Board Assurance Framework is at attachment 3. Each risk is categorised by colour according to the current risk matrix (summary included on attachment 3). The full 2012/13 Board Assurance Framework (attachment 4) lists the controls in place and sources of assurance, with the lead Director for each risk. It has been agreed that risk management will become considered quarterly at the Performance Review meetings to drive ownership of risks by the Centres.

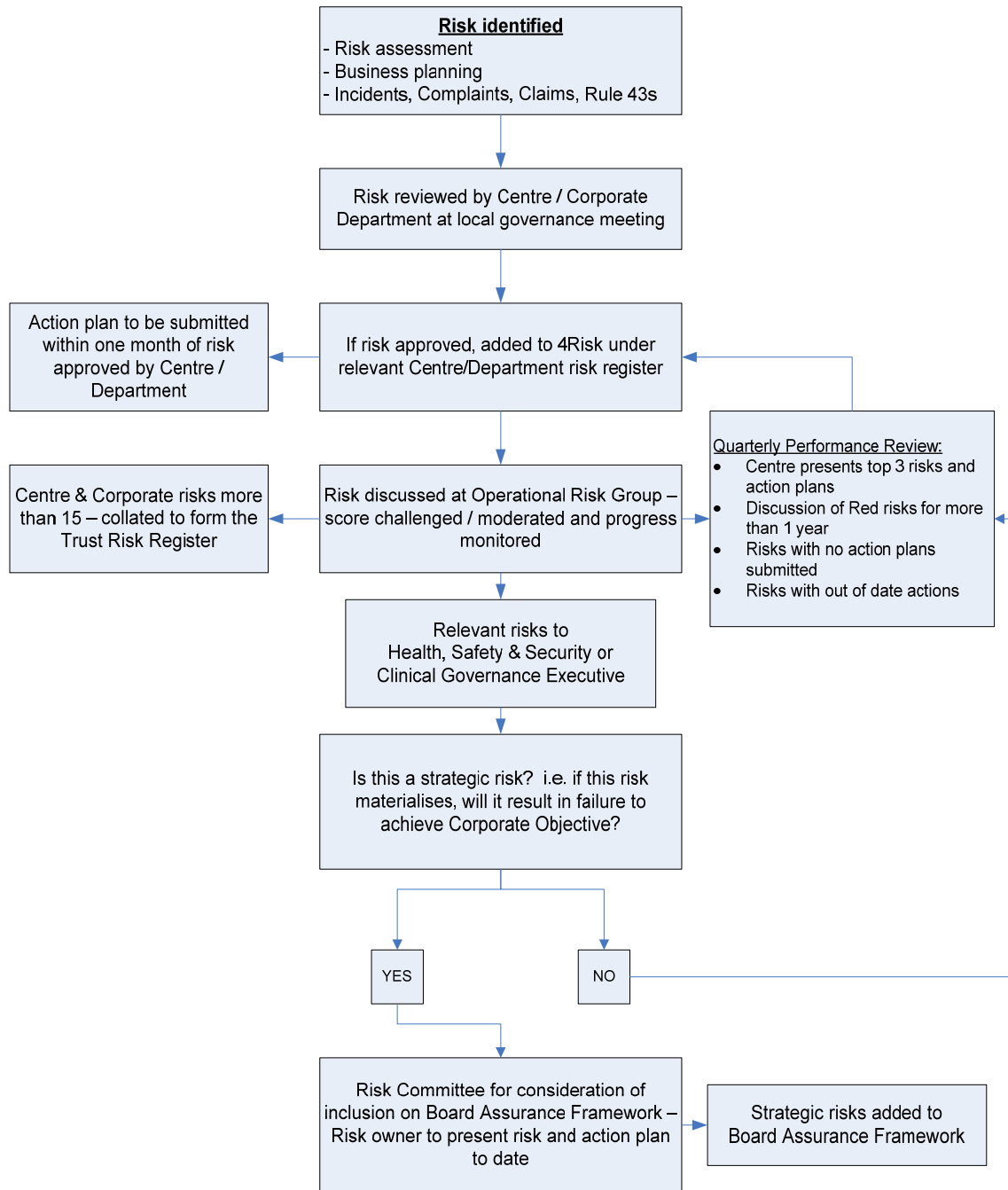
Related SATH Objectives	SATH Sub-Objectives
Related to all SATH objectives	C5. Meet regulatory requirements and healthcare standards

Risk and Assurance Issues	Links strategic objectives to risks, controls and assurances.
Legal and Regulatory Issues	Requirement to support the Annual Governance Statement.

Action required by the Board

- To **agree the proposed** BAF, including the categorisation of risks
- To consider any additional risks that should be included on the BAF
- To agree removal of risks ref 412 and 413
- To consider if any additional assurances are necessary to assure the Board that the risks of the strategic objectives are being properly managed.

Risk Management Process



Risks on previous BAF	Proposed new risks	Links to Trust Risk Register
<p>1 <i>Failure to balance efficiency in patient flow with quality of patient care & effectiveness of outcomes (CRR 561)</i></p> <p>2 <i>Unable to sustain delivery of national standards for access for a) quality & b) performance (CRR11)</i></p> <p>3 <i>Failure to meet goals and timescales of the transformation programme (Access) (CRR 562)</i></p> <p>4 <i>Failure to grasp opportunities for greater integration between secondary & primary care (CRR 560)</i></p>	<p>If we do not achieve safe and efficient patient flow then we will fail the national quality and performance standards</p>	<p>15 patient flow risks 9 Booking and access risks 8 risks relating to RTT</p>
<p>5 <i>Failure to sustain and improve patient experience & safe systems resulting in loss of confidence by regulators, commissioners & patients (CRR 415)</i></p> <p>6 <i>Loss of patients to our competitors (CRR 559)</i></p>	<p>If we do not deliver safe care then patients may suffer avoidable harm and poor clinical outcomes and experience</p>	<p>22 clinical risks</p>
<p>7 <i>Unable to improve morale and confidence of SaTH staff so they can justifiably say there is nowhere better to be a patient (CRR 423)</i></p> <p>8 <i>Lack of capacity and capability amongst individuals and teams (CRR 416)</i></p>	<p>If we do not get good levels of staff engagement to get a culture of continuous improvement then staff morale and patient outcomes may not improve</p>	<p>68 risks relating to workforce, training and development & staff morale</p>
<p>9 <i>Inability to deliver CIP programme (CRR 19)</i></p> <p>10 <i>Income loss from QIPP programmes understated (CRR 557)</i></p> <p>11 <i>Failure to deliver sustainable balanced I&E and cash surplus (CRR 18)</i></p> <p>12 <i>Failure to generate commercial income (CRR 558)</i></p>	<p>If we do not achieve a financial risk rating of 3 then we will not be authorised as a FT</p>	<p>8 Financial Risks 42 risks relating to replacement medical equipment issues 21 informatics</p>
Suggested New risks		
	<p>If Board members are not appointed in a timely fashion then this may impact on the governance of the Trust.</p>	
	<p>If we do not have a clear clinical service vision then we may not deliver the best services to patients</p>	
Risks suggested for removal		
<p>13 <i>Lack of agreed Health Economy System Plan (CRR 413)</i></p>		
<p>14 <i>If we do not deliver benefits of reconfiguration in terms of capital and service outcomes then we will be unable to provide a viable service (CRR 412)</i></p>		

Board Assurance Framework – Summary – November 2012

Key : ↑ Improvement ↓ Deterioration = No change

	Trend			Trend	
QUALITY and SAFETY			LEARNING and GROWTH		
<ul style="list-style-type: none"> If we do not achieve safe and efficient patient flow then we will fail the national quality and performance standards 	↑		<ul style="list-style-type: none"> If we do not get good levels of staff engagement to get a culture of continuous improvement then staff morale and patient outcomes may not improve 	↑	
<ul style="list-style-type: none"> If we do not deliver safe care then patients may suffer avoidable harm and poor clinical outcomes and experience 	↑		<ul style="list-style-type: none"> If Board members are not appointed in a timely fashion then this may impact on the governance of the Trust. 	↑	
PATIENTS, GPs and COMMISSIONERS			FINANCIAL STRENGTH		
<ul style="list-style-type: none"> If we do not have a clear clinical service vision then we may not deliver the best services to patients 	=		<ul style="list-style-type: none"> If we do not achieve a financial risk rating of 3 then we will not be authorised as a FT 	↑	

Risk Matrix

	Consequence				
	1	2	3	4	5
Likelihood	Insignificant	Minor	Moderate	Severe	Critical
5 - Almost Certain					
4 - Likely					
3 - Possible					
2 - Unlikely					
1 - Rare					

Key : ↑ Improvement ↓ Deterioration = No change

Trust Risk Ref	Lead Director + Category of risk	Principal Risk and Potential Impacts	Inherent Risk	Key Controls	Planned Sources of Assurance + date received	Residual Risk rating and direction of travel	Gaps in Control + assurance	Action Lead
Principal Objective QS: Quality and Safety : We will always provide the right care for our patients and ensure that they suffer no harm								
561	Chief Operating Officer Patient Flow	If we do not achieve safe and efficient patient flow then we will fail the national quality and performance standards Potential Impacts <ul style="list-style-type: none"> • Poor /unsafe patient care & experience • Financial penalties • Performance notices • SHA intervention • Failure to achieve FT status 		Close working with partners in local health economy Improving Patient Flow project and plan Revised bed plan RTT trajectories monitored and corrective action taken	Performance component of Integrated Performance Report to Trust Board Regular reports to Board on patient flow project RTT report to TB (Nov 12) Revised bed plan report to TB (Nov 12)	↑	Gaps in Control <ul style="list-style-type: none"> • Bed bundle not yet embedded • Progress on admission avoidance schemes slower than needed and not yet delivering reductions in admissions • Structure to support COO not yet in place 	Chief Operating Officer
415	Director of Quality and Safety Safety and Patient Experience	If we do not deliver safe care then patients may suffer avoidable harm and poor clinical outcomes and experience Potential Impacts: <ul style="list-style-type: none"> • Avoidable harm to patients • Poor experience for patients • High level of complaints and litigation • Failure to comply with CQC standards • Loss of CQUIN income • Loss of patients to our competitors • Loss of reputation 		CQC Compliance Framework (Health Assure) Quality Improvement Strategy and centre's action plans Quality Governance Assurance Framework Incident reporting with RCA and monitoring of actions Consultant revalidation Patient Safety visits to ward Patient Engagement and Improvement Programme (PEIP) work programme	Quality component of Integrated Performance Report Serious Incident Board Report External Assurance reviews Clinical Quality and Safety Committee which reports to TB	↑	Gaps in Controls <ul style="list-style-type: none"> • No QGAF action plan Gaps in Assurances <ul style="list-style-type: none"> • No consultant revalidation report to Trust Board 	Director of Quality and Safety Medical Director
Principal Objective PGC: Patients, GPs and Commissioners: We will insist that we deliver the best service to our patients, GPs and Commissioners								
tbc	Chief Executive Officer Strategy	If we do not have a clear clinical service vision then we may not deliver the best services to patients Potential impacts: <ul style="list-style-type: none"> • unsustainable unscheduled care services • Suboptimal use of scarce workforce resource • Avoidable duplication of cost 		Structured programme of work to arrive at service delivery models Clinical Service Strategy Group FCHS Group Health Economy Leaders Group	Board consideration of service delivery models Outline proposal for stroke with public consultation May 2013 Cardiology review of non-primary PCI options	New	Gaps in Controls and Assurance <ul style="list-style-type: none"> • No agreed long term clinical strategy 	Director of Business and Enterprise

Board Assurance Framework

November 2012

Trust Risk Ref	Lead Director + Category of risk	Principal Risk and Potential Impacts	Inherent Risk	Key Controls	Planned Sources of Assurance + date received	Residual Risk rating and direction of travel	Gaps in Control + assurance	Action Lead
Principal Objective LG: Learning and Growth: We will develop our internal processes to sustain our ability to change and improve								
423	Workforce Director Workforce	<p>If we do not get good levels of staff engagement to get a culture of continuous improvement then staff morale and patient outcomes may not improve</p> <p>Potential impacts:</p> <ul style="list-style-type: none"> • Loss of key staff • Poor experience for patients • Adverse ratings in CQC Quality Risk Profile • High sickness absence 		<p>Management Development Programme</p> <p>Leadership / Development Academy</p> <p>Appraisals and Personal Development Plan</p> <p>Staff induction linked to Trust values</p> <p>Sickness policy</p> <p>Stress risk assessments process for staff</p>	<p>Annual staff survey</p> <p>Workforce Reports to Workforce Committee reporting to Board (Jan 13)</p>	↑	<p>Gaps in Controls</p> <ul style="list-style-type: none"> • No overarching Trust Code of Conduct 	Workforce Director
tbc	Chief Executive Officer Governance	<p>If Board members are not appointed in a timely fashion then this may impact on the governance of the Trust.</p> <p>Potential Impacts</p> <ul style="list-style-type: none"> • Failure to comply with Board Governance Assurance Framework and Board Governance 		Appointment Process for Chair and Medical Director	Chairman's update to Board (Nov 12)	New		Chairman Chief Exec
Principal Objective FS: Financial Strength: We will use our resources wisely and create surpluses to invest in quality								
tbc	FD Financial	<p>If we do not achieve a financial risk rating of 3 then we will not be authorised as a FT</p> <p>Potential impacts:</p> <ul style="list-style-type: none"> • Inability to invest in services • Impacts on cash flow • Failure to deliver HDD action plan 		<p>Monthly performance review with Centres</p> <p>CIP monitoring including QIA process</p>	<p>Financial component of integrated performance report</p> <p>Reports from Finance Committee which reports to TB</p> <p>Reports from Internal and External Audit</p>	↑	<p>Gaps in Controls</p> <ul style="list-style-type: none"> • No QIAs on CIPs reported to Board 	Director of Quality and Safety