

**Board of Directors:** 11.1.18

**Agenda Item:** Bo.1.18.31

## Board Assurance Framework (BAF)

<b>Presented by:</b>	Professor Clive Kay, Chief Executive	<b>Author:</b>	Fiona Ritchie, Trust Secretary
<b>Previously considered by:</b>	Monthly at the Integrated Governance and Risk Committee (IGRC) Monthly at the Finance & Performance Committee Monthly at the Quality Committee Bi-monthly at the Workforce Committee Bi-monthly at the Partnership Committee		

Key points	Purpose:
1. The Board is asked to discuss and review the Board Assurance Framework (BAF).	To note and gain assurance

Executive Summary:
<p>The BAF is an agenda item at the monthly Integrated Governance and Risk Committee (IGRC).</p> <p>The Chief Executive holds to account the Executive Lead for each strategic risk.</p> <p>The Executive Lead for each strategic risk is responsible for maintaining the risk on the BAF.</p> <p>Each strategic risk is owned by a Sub-Committee of the Board.</p> <p>The BAF, after scrutiny at IGRC, is added to the owning Board Sub-Committee agenda where the Chair of the Sub-Committee ensures discussion occurs around assurance with regard to the strategic risk (s).</p> <p>The BAF is presented to the Board of Directors quarterly for review.</p>

**Board of Directors:** 11.1.18

**Agenda Item:** Bo.1.18.31

<b>Financial implications:</b>
--------------------------------

No
----

<b>Regulatory relevance:</b>
------------------------------

<b>Monitor:</b>	Risk Assessment Framework
-----------------	---------------------------

<b>Equality Impact / Implications:</b>	
--	--

**Is there likely to be any impact on any of the protected characteristics?**  
 (Age, Disability, Gender, Gender Reassignment, Pregnancy and Maternity, Race, Religion or Belief, Sexual Orientation, Health Inequalities, Human Rights)

Yes ☐ No ☒

If yes, what is the mitigation against this?

<b>Other:</b>	
---------------	--

<b>Strategic Objective:</b>	
-----------------------------	--

*Reference to Strategic Objective(s) this paper relates to*

To provide outstanding care for patients
To deliver our financial plan and key performance targets
To be in the top 20% of NHS employers
To be a continually learning organisation
To collaborate effectively with local and regional partners

## BOARD ASSURANCE FRAMEWORK: Month 3 Quarter 3

The Board has overall responsibility for ensuring systems and controls are in place, sufficient to mitigate any significant risks which may threaten the achievement of the organisation's strategic objectives. Assurance can be secured through a range of sources, but wherever possible, it should be systematic, consistent, independently verified and incorporated within a robust governance process. The Board achieves this primarily through the work of its assurance committees, through audit and other sorts of independent review, and by the systematic collection and analysis of performance data, to demonstrate the achievement of its strategic objectives. The Board Assurance Framework is a live document that will continue to be populated and amended as risks and assurances associated with the organisational objectives are identified

BOARD ASSURANCE FRAMEWORK											Q 3
Assurance Overview						Date					
Strategic Objective		Assurance Level	Reason for Assurance Level	Executive Lead	Assuring Committee	Quarterly assurance ratings				Risk	
						Q1	Q2	Q3	Q4	Principal composite	Highest
1	To provide outstanding care for our patients	Limited	The impact of the introduction of the EPR on safety has not been quantified. The national audit programme is compromised, performance indicators are affecting CQC domain performance	Chief Nurse/ Medical Director	Quality	n/a	n/a	12		12	15
2a	To deliver our financial plan	Limited	The financial plan is currently being delivered. However there is a requirement to improve our run rate significantly during quarter 3 in order to sustain this position.	Director of Finance	Finance and Performance	n/a	n/a			16	20
2b	To deliver our key performance targets	Limited	Current trajectories indicate that there is limited confidence in delivering the required standard in quarter: Recovery plans are in place for the contractual KPIs for RTT, ECS and Cancer. These are yet to deliver	Director of Governance and Operations	Finance and Performance	n/a	n/a			16	20
3	To be in the top 20% of employers in the NHS	Not available	The trajectories for both Key Performance indicators have not yet been set. It anticipated that these will be agreed by end Q3. It is not therefore possible to assign a confidence level	Director of Human Resources	Workforce	n/a	n/a	n/a		12	20
4	To be a continually learning organisation	Confident	Evidence presented to committees demonstrates the significant progress made, recognising that there are further opportunities for change and improvement	Medical Director	Quality	n/a	n/a			12	12
5	To collaborate effectively with local and regional partners	Confident	All planned actions in relation to the delivery of this strategic objective are being completed as per plan. The related risks are being mitigated appropriately	Director of Strategy	Partnership	n/a	n/a			12	12

<b>BOARD ASSURANCE FRAMEWORK</b>		<b>Strategic Objective</b>	<b>1</b>	<b>To provide outstanding care for our patients</b>			<b>Assurance Level</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Executive Lead</b>		Karen Dawber/Bryan Gill		<b>Assuring Committee</b>		<b>Quality</b>					

Positive Assurance			Negative Assurance			Gaps in Assurance	Rationale for Assurance Level
Date	Assurance	Source	Date	Assurance	Source		
Nov 17	Significant Assurance – Complaints Handling	Internal Audit	Dec 17	Performance reports	Internal reporting	Impact of EPR on patient quality and safety, including record keeping and the ability to audit and report whilst the systems are being built.	
Sept 17	Significant assurance – Safer staffing	Internal Audit	Nov 17	National Stroke Audit	National reporting		
Ongoing	Mortality Rates	National Reporting					
Ongoing	Infection Rates	National Reporting					

Key performance Indicator		Principal Risk (s)		Potential consequences	Composite risk rating					Component risks	
					Initial	Residual	Target	Current	Direction of travel	Number	Highest Current
a	To achieve and sustain an overall CQC rating of 'good' by the conclusion of the next CQC inspection (post March 2018). To have no services rated inadequate.	1	Quality and Safety Risk in Maternity	Poor quality of care to the population that we provide services for.	16	8	4	12	↑	17	15
b	To continuously improve in the number of services with a CQC rating of 'outstanding' over the cycle of the clinical services strategy and have no services rated as requires improvement or inadequate.		Theatre staffing levels on labour ward								
			Nursing and Midwifery Staffing	Reduced reputation and risk to continuity of services							
			Timeliness of complaints responses								

<b>High Level Controls</b>	<b>Gaps in controls</b>	<b>Routine Sources of Assurance</b>	<b>Risk Appetite</b>
Clinical Service Strategy 2017-22 Personal Responsibility Framework Quality and Performance Indicators monitoring (Quality dashboard) Sub-Committees of the Quality Committee National Audit Programme Quality oversight System	Acting arrangements and absence of key substantive appointments.  Clinical staffing vacancies: <ul style="list-style-type: none"> <li>Nursing</li> <li>Midwifery</li> <li>Medical</li> </ul>	Patient experience report Risk management report Effectiveness Report CQC compliance reporting Safeguarding report Learning report Friends and Family Test	<b>Minimal.</b> (as little as reasonably possible) preference for ultra- safe delivery options that have a low degree of inherent risk

Quality Improvement strategy  
Structured Judgement Review Process  
Policy and procedure related to the management of precursor incidents (e.g. incidents/claims/complaints)  
Risk management strategy  
CQC steering group  
CQC compliance action  
Divisional and directorate structures  
Workforce Committee  
Part of NHSI / NHSE programme “moving to good”

- Theatres / ODP

Lack of a clearly defined clinical workforce plan to match the delivery of current services and clinical service strategy

Lack of real time reporting of quality information

Patient Survey  
Draper Dash Dashboards

National reports:

- Mortality
- Clinical audits
- Infection control
- Model hospital

BOARD ASSURANCE FRAMEWORK		Strategic Objective	2a	To deliver our financial plan			Assurance Level	Q1	Q2	Q3	Q4
Executive Lead		Matthew Horner		Assuring Committee		Finance and Performance					

Positive Assurance			Negative Assurance			Gaps in Assurance		Rationale for Assurance Level	
Date	Assurance	Source	Date	Assurance	Source			Limited confidence: the financial plan is currently being delivered. However there is a requirement to improve our run rate significantly during quarter 3 in order to sustain this position.	
Nov 17	Improvement Plan submitted and approved at November Board of Directors – including strengthened governance arrangements	Improvement Plan	Nov 17	Under-recovery of contract income against plan	Financial Performance Report				
Oct 17	Improvement Plan Presentation to NHSI	Improvement Plan	Nov 17	Sustainable delivery of CIP to Oct not identified (mitigated by non recurrent measures)	Financial Performance Report Trust Improvement Committee (TIC) Report				

Key performance Indicator		Principal Risk(s)		Potential consequences		Composite risk rating					Component risks	
						Initial	Residual	Target	Current	Direction of travel	Number	Highest Current
a	Deliver a NHS Improvement Use of Resources rating of at least “2”	4	Failure to maintain financial stability	Damage to reputation, financial compromise, loss of market share, regulatory action		16	12	6	16	↑	7	20

High Level Controls	Gaps in controls	Routine Sources of Assurance	Risk Appetite
Executive led Divisional Financial performance management meetings Divisional ownership of CIP schemes Budget setting and business planning Quality Impact Assessment and Financial Impact Assessment process – Improvement plan Urgent Care Programme Board Planned Care Programme Board Trust Improvement Committee (TIC) Performance management arrangements Chief Executive confirm and challenge meetings Standing Financial Instructions and Scheme of Delegation	Financial control panel – new panel established to control spend but, as yet, not fully embedded  Income oversight panel – new panel to facilitate understanding of contract income position but, as yet, not fully embedded	Director of Finance report to Finance and Performance Committee and Board – including assessment of NHSI ‘Use of Resources’ framework Trust Improvement Committee report to Finance and Performance Committee Improvement Plan report to Finance and Performance Committee and Board Internal Audit Committee Reports on controls assurance Audit Committee Report to Board	<b>Cautious</b>

<b>BOARD ASSURANCE FRAMEWORK</b>		<b>Strategic Objective</b>	<b>2b</b>	<b>To deliver our key performance metrics</b>			<b>Assurance Level</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Executive Lead</b>		Donna Thompson		<b>Assuring Committee</b>		<b>Finance and Performance</b>					

Positive Assurance			Negative Assurance			Gaps in Assurance		Rationale for Assurance Level	
Date	Assurance	Source	Date	Assurance	Source			<b>Limited confidence:</b> current trajectories indicate that there is limited confidence in delivering the required standard in quarter: Recovery plans are in place for the contractual KPIs for RTT, ECS and Cancer. These are yet to deliver	
Nov 17	Implementation of the action plan to improve the ECS performance	ECS Action Plan	Nov 17	Current delivery performance in relation to ECS standard	Performance Report to Finance & Performance Committee				
Nov 17	Implementation of the action plan to improve the Cancer 62 Day performance	Cancer 62 day performance Action Plan	Nov 17	Current delivery performance in relation Cancer 62 day standard	Performance Report to Finance & Performance Committee				
			Nov 17	Current delivery performance in relation to RTT 18 week access standard	Performance Report to Finance & Performance Committee				

Key performance Indicator		Principal Risk (s)		Potential consequences	Composite risk rating					Component risks	
					Initial	Residual	Target	Current	Direction of travel	Number	Highest Current
	To achieve organisational trajectories set for RTT, Cancer and ECS	3	Failure to maintain operational performance	Damage to reputation, financial compromise, loss of market share, regulatory action	20	6	6	16	↑	10	20
		6	Failure to achieve sustainable contracts with commissioners	Loss of market share, loss of public confidence, lack of service sustainability	12	6	6	15	↔	6	16

High Level Controls	Gaps in controls	Routine Sources of Assurance	Risk Appetite
Executive led Divisional performance management meetings (national/local and contractual KPI's/standards) ECS performance action Plan Cancer 62 day action plan Weekly Access Meetings Urgent Care Programme board Trust Improvement Committee work programmes – Urgent Care		Director of Finance - Performance report to Finance and Performance Committee and Board Audit Committee Report to the Board Contract Management Board Internal Audit Committee Reports on controls assurance	<b>Cautious</b>

Positive Assurance			Negative Assurance			Gaps in Assurance	Rationale for Assurance Level
Date	Assurance	Source	Date	Assurance	Source		
09/2017	Safer Staffing – significant assurance	Internal Audit	02/2017	NHS Staff Survey – lower than average staff engagement scores	NHS Staff Survey	2017 NHS Staff Survey now closed – waiting results	The trajectories for both Key performance indicators have not yet been set. It anticipated that these will be agreed by end Q3. It is not therefore possible to assign a confidence level
12/2017							
11/2017	E-Rostering and IR35 compliance – significant assurance Workforce metrics on appraisal,sickness, junior doctor fill and overall Trust turnover	Internal Audit  Workforce report					

Key performance Indicator		Principal Risk (s)		Potential consequences	Composite risk rating					Component risks	
					Initial	Residual	Target	Current	Direction of travel	Number	Highest Current
A	Achieve a Friends and Family Test (Staff) result showing a target percentage of staff recommending the Trust as a place to work	2	Failure to recruit and retain an effective and engaged workforce to meet the needs of our Clinical Services Strategy	Disengaged staff – poor staff morale High staff turnover High vacancy rate/agency staff usage Poor quality and continuity of care Unanticipated bed closures	15	6	4	12	↑	13	20
B	<p>To be in the top 20% of places to work as measured by the NHS staff survey though a year on year improvement in staff engagement scores</p> <p>To deliver good performance on recruitment fill rates and turnover as benchmarked against other acute hospitals</p> <p>To employ a workforce representative of our local communities in line with our Equalities Objectives/WRES action plan</p>										



[illegible]

High Level Controls	Gaps in controls	Routine Sources of Assurance	Risk Appetite
Divisional performance management Monitoring of safe staffing Monitoring of recruitment against budget Time to talk Our People Strategy 2017 and workplans Workforce planning Staff survey action plan Annual review of nurse and midwife staffing establishments Mandatory training and appraisal performance management Education and workforce Committee Human Resources Policies and Procedures Equality objectives/ WRES Action plan NHS QUEST Standards when developed	Contemporaneous staff experience data Vacancy position particularly in nursing and theatres Live vacancy position in ESR	Workforce report HEE workforce return Junior Doctor fill rates Update report on staff action plan Nurse recruitment GMC survey Nurse staffing data publication report Bi-annual review report of nurse and midwife staffing Medical appraisal and revalidation report Quarterly 'freedom to speak up guardian' return Workforce Race Equality Standard Report Guardian of safe working hours report Staff Friends and Family Test EWin/Model Hospital portal for benchmarking purposes	<b>Minimal:</b> as little as reasonably possible) preference for ultra- safe delivery options that have a low degree of inherent risk

BOARD ASSURANCE FRAMEWORK		Strategic Objective	4	To be a continually learning organisation			Assurance	Q1	Q2	Q3	Q4
Executive Lead		Bryan Gill		Assuring Committee		Quality Committee	Level				

Positive Assurance			Negative Assurance			Gaps in Assurance		Rationale for Assurance Level	
Date	Assurance	Source	Date	Assurance	Source				
July 2017	Board session on <i>BTHFT as a learning organisation</i> - clinicians from multiple specialties presented organisational learning using different recognised methodologies	Board development session	Nov 2017	Approved strategy for continual learning including a QI strategy not published	Agreed objective from 'Moving to Good' NHSI programme	<p>Agreed Key Performance indicators and access to comparator data</p> <p>Publication and embedding of a Trust-wide strategy on continuous learning</p> <p>Identification of risks associated with the delivery of the objectives.</p>		<p><b>Confidence:</b> evidence presented to committees demonstrates the significant progress made, recognising that there are further opportunities for change and improvement</p>	
Nov 2017	Learning hub becoming well established and meeting expectations in relation to delivery of agreed learning outputs	Board Integrated Dashboard	Nov 2017	Improve the governance mechanisms to support the Board level assurance	Board Integrated Dashboard				
Nov 2017	Core and High priority training targets reviewed and remain stable	Board Integrated Dashboard	Dec 2017	Further work required to embed and engage re Safer Procedures	Peer review [Progress/NHSI]				
Nov 2017	Assurance that number of participants recruited to National Institute for Health Research portfolio studies including commercial and non-commercial studies is in line with KPIs	Board Integrated Dashboard							
Dec 2017	Presentations from specialties and Directors on outcomes from Quality Summits	Quality Committee							
Dec 2017	Paper describing positive progress and delivery from the Learning hub	Quality Committee							
Dec 2017	Service Improvement in orthopaedics	Trust's Improvement Programme/ Brilliant Bradford Awards							

Key performance Indicator		Principal Risk (s)		Potential consequences	Composite risk rating					Component risks	
					Initial	Residual	Target	Current	Direction of travel	Number	Highest Current
1	To achieve 5% year on year training of clinical staff in Quality Improvement		Failure to demonstrate that the organisation is continually learning and improving the quality of care to our patients	Reputation, loss of HEE contracts, research funding, harm to patients, reduced recruitment and retention of staff	12	8	6	12	↔	1	
2	To deliver upper quartile performance for recruitment to time and target for NIHR portfolio studies										
3	Achieving upper quartile performance on national education surveys										
4	Continuous learning: Ratio of near miss to SI reporting [Learning culture]										

High Level Controls	Gaps in controls	Routine Sources of Assurance	Risk Appetite
Research Committee Organisational learning system Trust's Improvement Programme Quality oversight system National Audit Programme (Improvement) Patient safety/Clinical Effectiveness/workforce and education Sub-Committee NHS QUEST AHSN Improvement Academy BIHR Centre for applied health research HEE HEI	A review of the Corporate and Divisional risk register is scheduled for Q4 to support identification of any gaps in controls	Quarterly learning report National Education Surveys ESR reports Board Integrated dashboard National Audits	<b>Open:</b> Willingness to support staff to innovate in methods of delivering continuous learning and improvement

<b>BOARD ASSURANCE FRAMEWORK</b>		<b>Strategic Objective</b>	<b>5</b>	<b>To collaborate effectively with local and regional partners</b>		<b>Assurance Level</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Executive Lead</b>	John Holden			<b>Assuring Committee</b>	<b>Partnership Committee</b>					

Positive Assurance			Negative Assurance			Gaps in Assurance	Rationale for Assurance Level
Date	Assurance	Source	Date	Assurance	Source		Confident: Basic infrastructure and controls in place, but concerns re: direction of acute collaboration, and utility/alignment of integrated care work-streams
1 Dec	Partnerships committee noted progress in handling scope of Airedale work and also NHSi queries	P.12.17.6	1 Dec	Partnerships committee concerns re: dynamics of acute collaboration through WYAAT and STP arrangements	P.12.17.4 P.12.17.5		

Key performance Indicator	Principal Risk (s)	Potential consequences	Composite risk rating					Component risks	
			Initial	Residual	Target	Current	Direction of travel	Number	Highest Current
Number & rating of responses to stakeholder surveys	Failure to deliver the benefits of strategic partnerships  Risk that STP/WYAAT level decisions impact adversely on BTHFT operations/finance/service viability	Loss of market share, reputational damage, financial loss, operational issues							
Integrated care measures -in development – initially simple assessment of progress in establishing governance groups, MOUs etc			12	9	9	12	↔	2	12
Acute collaboration metrics - in development – initially simple assessment of progress in establishing programme of collab w/ Airedale Ft									

<b>High Level Controls</b> EMT Partnerships meeting (and use of tracker spread-sheet for acute workstreams) Implementation of Clinical Services Strategy 2017-2022 and Divisional service planning Participation in :- Integrated Management Board of Bradford Provider Alliance Bradford Accountable Care Programme Board WYAAT groups (CEOs, MDs, DoFs, Strategy & Ops)	<b>Gaps in controls</b> Potential need for dedicated Head of Integrated Care (analogous to Head of Policy, who leads on acute collab) to better co-ordinate activity, track progress and manage risks across BTHFT	<b>Routine Sources of Assurance</b> Stakeholder engagement survey Pathology JV Board of Directors meetings (receives regular reports from Managing Director and Clinical Director) WYAAT Programme Directors Report Papers for STP System Leadership Executive and WYAAT CEOs	<b>Risk Appetite</b> Open:
---	---	---	-------------------------------

BTHFT/Airedale FT (Partnership Executive Meeting; Collaboration Programme Board;

# Appendix 1 Corporate Risk Register

## CORPORATE RISK REGISTER: PRINCIPAL RISKS

October 2017

	Principal Risk	Proposed Overall Risk Rating					Risk Appetite	
		Initial	Residual	Target	Current	Direction	Current	Profile
1	Failure to maintain the quality of patient services	16	8	4	12	↑	Minimal	
2	Failure to recruit and retain an effective and engaged workforce	15	6	4	12	↑	Minimal	
3	Failure to maintain operational performance	20	6	6	16	↑	Cautious	
4	Failure to maintain financial sustainability	16	12	6	16	↑	Cautious	
5	Failure to deliver the required transformation of services	12	8	8	8	↔	Open	
6	Failure to achieve sustainable contracts with commissioners	12	6	6	15	↔	Cautious	
7	Failure to deliver the benefits of strategic partnerships	12	9	9	9	↔	Open	

## Appendix 2: Board Assurance Framework Legend

Descriptors		Defining risk appetite		
<b>Principal Risk</b>	What could prevent the Strategic Objective from being achieved?	0	Avoid	Avoidance of risk is a key organisational objective
<b>High Level Controls</b>	What controls/systems do we have in place to assist secure delivery of the objectives?	1	Minimal	(as little as reasonable possible) preference for ultra- safe delivery options that have a low degree of inherent risk
<b>Gaps in Controls</b>	Are there any gaps in the effectiveness of controls or systems?	2	Cautious	Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward
<b>Sources of assurance</b>	Where can we gain evidence in relation to the effectiveness of the controls/systems which we are relying on?	3	Open	Willing to consider all potential delivery options and choose while also providing and acceptable level of reward
<b>Positive Assurance</b>	What evidence have we of progress towards or achievement of our strategic objective?	4	Seek	Eager to be innovative and to choose options offering potentially higher business rewards
<b>Negative Assurance</b>	What evidence have we of progress towards our strategic objectives being compromised?	5	Mature	Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust
<b>Gaps in Assurance</b>	Where can we improve the evidence about the effectiveness of one or more of the key controls/systems which we are relying on?			
<b>Rationale for assurance level</b>	(see Appendix 2) a description of the reason for the decision in relation to assurance level agreed by the assuring committee			
<b>Risk Appetite</b>	The level of risk the organisation is prepared to tolerate in relation to the secure delivery of each individual strategic objective			

#### Levels of assurance

little or no confidence	Low. No evidence of necessary structure/processes supporting mitigation of risk associated with the achievement of strategic objective	Risk
limited confidence	Compromised. Limited evidence of necessary structure/processes mitigation of risk associated with the achievement of strategic objective	Risk
confidence	Confident. Range of structures and processes in place supporting mitigation of risk associated with the achievement of strategic objective available and used by the organisation	Opportunities for change and improvement
High Confidence	Trust. Comprehensive evidence of effective and sustainable mitigation of risk associated with achievement of the strategic objectives	Opportunities for learning