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| Meeting Title | Regulation and Assurance Committee |             |            |
| Date          | 13.07.21                           | Agenda item | RC.7.21.31 |

## Board Assurance Framework (Quarter 1, 2021/22) and Strategic Risk Register Movement Log

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| <b>Presented by</b>                        | Laura Parsons, Associate Director of Corporate Governance/Board Secretary  |             |  |
| <b>Author</b>                              | Executive Directors<br>John Holden, Director of Strategy and Integration/Deputy Chief Executive<br>Laura Parsons, Associate Director of Corporate Governance/Board Secretary |             |  |
| <b>Lead Director</b>                       | Mel Pickup, Chief Executive  |             |  |
| <b>Purpose of the paper</b>                | This paper provides a profile of risks, controls and assurances related to the delivery of the Trust's strategic objectives  |             |  |
| <b>Key control</b>                         | Understanding the Board's risk appetite related to the achievement of the Trust's strategic objectives is a key component of the Board Assurance Framework                   |             |  |
| <b>Action required</b>                     | For decision   |             |  |
| <b>Previously discussed at/informed by</b> | Board Assurance Framework: ETM – 28 June 2021<br>Strategic Risk Register and movement log: ETM – 17 May & 21 June 2021, Academies – 26 May & 30 June 2021                    |             |  |
| <b>Previously approved at:</b>             | <b>Committee/Group</b>   | <b>Date</b> |  |
|  | N/A  |             |  |

### Key Options, Issues and Risks

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.

The Board Assurance Framework (BAF), attached at Appendix 1, collates information about risk appetite, relevant risks, and assurance, for each of the Trust's five Strategic Objectives. This supports Board members in considering the papers and topics discussed at Board and Regulation & Assurance (R&A) Committee meetings, and informing an overall view about the level of assurance provided.

The content of the BAF was reviewed and updated by Executive Directors during June. The full BAF was reviewed at the Executive Team Meeting on 28 June 2021. The recommended assurance level in relation to each objective is set out below.

### Analysis

Since the last report to the R&A Committee on 11 May 2021, the key issues that the Committee should be aware of are as follows:

| Strategic Objective |  | Current Assurance Level | Changes since last report  |
|---------------------|--|-------------------------|--|
| 1                   | To provide outstanding care for our patients | Limited confidence      | The assurance level remains at amber. Whilst we have processes in place to monitor and record patient safety and quality of care, we have now been operating in a system under extreme pressure for almost 16 months. Work that we want to do to move to 'outstanding' has been delayed throughout this period. The recovery of elective activity is placing additional challenge on our processes, but progress has been made with the launch of the Quality Academy and the success of the deteriorating patient tile. |
| 2a                  | To deliver our financial plan                | Confident               | The assurance level has improved from amber to green. The Trust has submitted a breakeven plan for the first half of 2021/22 which is in line with all other organisations in the  |

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|    |   |                         | ICS. The Trust is reporting a surplus at the end of month 2 (May) mainly as a result of the estimated Elective Recovery Fund (ERF). Given the month 2 position the assurance level for Q1 is green, however, uncertainty remains for the remainder of the year as the income quantum is not currently known.   |
| 2b | To deliver our key performance targets                      | Little or no confidence | The assurance level remains at red. A further increase in COVID demand is predicted as a result of the new Delta Variant. The clinical prioritisation process continues to allocate resources to patients whose disease progression was time sensitive. The Trust is utilising all available independent sector capacity to undertake elective activity in line with the current contractual arrangement which has now been extended until 31 October 2021, and has also recently agreed an insourcing contract to further increase our internal capacity.                         |
| 3  | To be in the top 20% of employers in the NHS                | Limited confidence      | The assurance level remains at amber. Whilst we have processes in place which have enabled us to maintain our focus on the achievement and assurance associated with this objective particularly around workforce supply and wellbeing and resilience of staff, we have now been operating under pressure as a Trust for some time now. This has impacted on our People experience as we now focus on recovery with COVID presentation starting to increase again. This can be demonstrated through our staff absence figures, recruitment pressures and our staff survey results. |
| 4  | To be a continually learning organisation                   | Confident               | The assurance level has improved from amber to green as the vaccine hub closed as planned in May and full educational services have been recommenced. Feedback from Health Education England (HEE) has been excellent despite recent challenges. Increased elective activity has enabled increased training opportunities in theatres and outpatients.   |
| 5  | To collaborate effectively with local and regional partners | Confident               | The assurance level remains at green. There is extensive system-wide discussion underway in respect of the development of the "Integrated Care Partnership" for our place, plus the next iteration of the Strategic Partnering Agreement (SPA), and of course operational matters like Covid vaccination programmes.   |

#### Strategic Risk Register (SRR) Movement Log

At its meetings on 17 May and 21 June, ETM considered a summary of all strategic risks, aligned to their respective academies, and a movement log showing additions, closures and changes in score, and those risks which had passed their review date.

A summary of ETM's discussions was presented to the academies on 26 May and 30 June, alongside the

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risks within their remit and a copy of the movement log. The academy chair reports include details of the matters discussed in relation to strategic risks.

The June ETM summary and movement log are attached at Appendices 2 & 3 for reference.

### Recommendation

The R&A Committee is asked to review the Board Assurance Framework in the context of the discussions to date and the papers and topics discussed in today's meeting, and to decide if the level of assurance indicated for each Strategic Objective is appropriate.

The Committee is also asked to note the Strategic Risk Register movement log and the summary of ETM's discussion in relation to the strategic risks.

| Risk assessment  |   |         |          |      |             |        |
|--|---|---------|----------|------|-------------|--------|
| Strategic Objective  | Appetite (G)  |         |          |      |             |        |
|  | Avoid   | Minimal | Cautious | Open | Seek        | Mature |
| To provide outstanding care for patients   |   |         |          | g    |             |        |
| To deliver our financial plan and key performance targets  |   | Finance | g        |      | Performance |        |
| To be in the top 20% of NHS employers  |   |         |          |      | g           |        |
| To be a continually learning organisation  |   |         |          | g    |             |        |
| To collaborate effectively with local and regional partners  |   |         |          |      | g           |        |
| The level of risk against each objective should be indicated. Where more than one option is available the level of risk of each option against each element should be indicated by numbering each option and showing numbers in the boxes. | <div>Low</div> <div>Moderate</div> <div>High</div> <div>Significant</div>   |         |          |      |             |        |
| <b>Explanation of variance from Board of Directors Agreed General risk appetite (G)</b>  | <div>The assurance level relating to the delivery of key performance targets is currently being reported as red (little or no confidence). The reasons for this are outlined above.</div> |         |          |      |             |        |

| Risk Implications   | Yes | No |
|---|-----|----|
| Corporate Risk register and/or Board Assurance Framework Amendments |     | ▪  |
| Quality implications  |     | ▪  |
| Resource implications   |     | ▪  |
| Legal/regulatory implications                                       |     | ▪  |
| Diversity and Inclusion implications                                |     | ▪  |

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| <b>Regulation, Legislation and Compliance relevance</b>  |
| <b>NHS Improvement:</b> <i>Risk assessment framework, quality governance framework, code of governance</i> |
| <b>Care Quality Commission Domain:</b> <i>well led</i>   |
| <b>Care Quality Commission Fundamental Standard:</b> <i>good governance</i>                                |
| <b>Other (please state):</b>   |

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| <b>Relevance to other Board of Director's Committee:</b> |                      |
| Regulation and Assurance Committee                       | Other (please state) |
| ▪  |                      |