

Meeting Title	Board of Directors - Open		
Date	18 November 2021	Agenda item	Bo.11.21.20

## Board Assurance Framework (Quarter 2, 2021/22) and Strategic Risk Register

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<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 – 8 November 2021 Strategic Risk Register and movement log: ETM – 20 September & 18 October 2021, Academies – 29 September & 27 October 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 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 October/November. The full BAF was reviewed at the Executive Team Meeting on 8 November 2021. The recommended assurance level in relation to each objective is set out below.

### Analysis

The assurance level in relation to each objective remains unchanged since the last report in September 2021. The key points that the Board should be aware of are as follows:

Strategic Objective		Current Assurance Level	Key points
1	To provide outstanding care for our patients	Limited confidence	The clinical outcomes group has been re-launched and learning from deaths work has progressed well including thematic review of all HOCl deaths.
2a	To deliver our financial plan	Confident	The financial planning parameters for the second half (H2) of 2021/22 have been published nationally which have been translated into ICS and organisational allocations. An efficiency target of 0.82% has been applied to commissioning block allocations, indicating a net reduction in block values of £4.5m (when all variables are taken into account). The forecast run rate for H2 provides a degree of confidence that the required breakeven position will be delivered.

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2b	To deliver our key performance targets	Little or no confidence	<p>There has been an increase in non elective demand which has led to high bed occupancy levels and overcrowding in the ED impacting on ambulance handover performance.</p> <p>The trust has developed an ambitious H2 recovery plan which is in line with the latest national operational guidance for H2. Approval will be sought from the Board for a financial spending plan to allow delivery of the plan. We continue to utilise all available independent sector capacity to undertake elective activity in line with the current contractual arrangement which has now been extended in H2 as well as the agreed insourcing contract to further increase our internal capacity.</p>
3	To be in the top 20% of employers in the NHS	Limited confidence	No key changes to report.
4	To be a continually learning organisation	Confident	Continued work is being undertaken working with partner organisations to ensure that surgical trainees have the best offer possible in relation to elective work. Orthopaedics for example has been a particular challenge, but all trainees now have an individualised training plan.
5	To collaborate effectively with local and regional partners	Confident	No key changes to report.

### Strategic Risk Register (SRR) Movement Log

At its meetings on 20 September and 18 October 2021, 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 29 September and 27 October 2021, alongside the 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 October ETM summary is below. There were no exceptional items requiring escalation to the Board:

- ETM discussed the strategic risk registers (SRR) and reviewed the SRR Movement Log. It was agreed that risk 3013 (cyber security) would be updated to reflect the recent table top simulation of a major incident, which was based on a cyber attack.
- There were four risks which had just passed their scheduled review date: 3380, 3204, 3489 and 3531. All have since been reviewed and updated.
- There were no new risks to add to the SRR during the period, nor had there been any changes in score. (As there were no changes, the movement log is not attached with this report.)

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### Risk Escalation Process

As Board members are aware, the Trust's Risk Management Strategy is currently being reviewed to ensure that the strategy and associated processes are as robust and efficient as possible, and provide the assurances required throughout the organisation, from ward to Board. One element of this review is to change the risk escalation process so that risks are escalated according to their score, as opposed to the current approach of escalating risks which are deemed to be 'strategic', regardless of score.

The proposed new process, which was considered by ETM on 1 November, is outlined in Appendix 2. It is proposed that risks continue to be assessed and managed at specialty, CBU and Care Group level, and that any risks with a current score of 15 or above are escalated to ETM via the monthly reporting cycle, and then onto Academies and the Board. It is also proposed that risks scoring 12 and above are reviewed at the monthly Executive to CBU meetings, to enable the monthly ETM discussion to focus on the most serious risks, with additional focus at the Executive to CBU meetings.

From April 2022, risk management will be embedded within the CBU governance processes with the support of the Quality team through Quality and Patient Safety Facilitators who will be aligned to the CBU triumvirate. These new/revised posts will provide support in the resetting of a standardised approach to quality governance and risk management.

### **Recommendation**

The Board 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;
- note the Strategic Risk Register movement log and the summary of ETM's discussion in relation to the strategic risks; and
- agree the revised risk escalation process for implementation from November onwards.

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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.	Low		Moderate	High	Significant	
	Risk (*)					
Explanation of variance from Board of Directors Agreed General risk appetite (G)	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.					

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

Regulation, Legislation and Compliance relevance
<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>

Relevance to other Board of Director's Committee:	
Audit Committee	Other (please state)
▪	Academies