

Board of Directors - Public

Date: 26 May 2021

Item Ref: 18a

TITLE OF PAPER	Board Assurance Framework – Closure of 2020/21 BAF and Receipt of 2021/22 BAF
TO BE PRESENTED BY	David Walsh, Director of Corporate Governance
ACTION REQUIRED	Board is recommended to: <ol style="list-style-type: none"> 1. Receive the final BAF for 2020/21; 2. Approve the new BAF for 2021/22; 3. Receive assurance from the report around the process that has been followed in developing the new BAF.

OUTCOME	The new BAF will become operational with immediate effect and will be used to measure assurance and triangulate information received in reports at Board and its committees.
TIMETABLE FOR DECISION	Board – 26 May 2021
LINKS TO OTHER KEY REPORTS / DECISIONS	Internal Audit Reports covering Risk Management Directorate Risk Registers Risk Management Strategy Trust Strategy Corporate Risk Register Care Network and Directorate Risk Registers
STRATEGIC AIM: STRATEGIC OBJECTIVE:	All
LINKS TO NHS CONSTITUTION & OTHER RELEVANT FRAMEWORKS, RISK, OUTCOMES ETC	Provider Licence Annual Governance Statement NHS Foundation Trust Code of Governance
IMPLICATIONS FOR SERVICE DELIVERY AND FINANCIAL IMPACT	Implications of individual risks are highlighted in the BAF. The BAF enables the Trust to satisfy its regulatory requirements and provides assurance for the Chief Executive to sign the Annual Governance Statement.
CONSIDERATION OF LEGAL ISSUES	Breach of SHSC Constitution Standing Orders Breach of NHS Improvement's Governance regulations and Provider Licence.

Author of Report	David Walsh
Designation	Director of Corporate Governance
Date of Report	17 May 2021

Board Assurance Framework – Closure of 2020/21 BAF and Receipt of 2021/22 BAF

1. Purpose

For approval	For assurance	For collective decision	To seek input from	To report progress	For information	Other (please state)
X	X					

2.1 Summary

The BAF is a key aspect of good governance in all organisations and a properly functioning BAF provides Board members with an understanding of the principal risks to the organisation achieving its strategic objectives. It also provides assurance regarding controls in place or actions being taken to mitigate risks to an acceptable level within the Board’s risk appetite.

Prior to its presentation here today, the Audit and Risk Committee received the final BAF for 2020/21 at its meeting in April, and then received the latest draft (at the time of the meeting of the 2021/22 BAF at its meeting in May.

The risks have been developed in stages through Executive Directors with reporting to committees:

- The People Committee risks were prioritised and considered in March following agreement at a Board Development session in February to trial a new approach to the BAF at that committee, whereby the risks are integrated into the agenda alongside relevant assurance reports;
- The Quality Committee considered the risks in two stages at its March and April meetings;
- The Finance Committee risks, two of which closely align to existing risks that are carried forward, considered and approved those under its responsibilities at the meeting in May.

All of the above has been considered in the context of the conversations which have taken place at Board Development sessions since January 2021 in relation to the organisation’s strategic objectives and analysis of the key risks and challenges that we face.

All risks have been redrafted with a common style to describe the risk, its cause and its impact.

The Corporate Assurance Manager has supported Executive Directors or their nominees in populating the draft for consideration.

Please note: Board will separately consider a report on the organisation’s strategic direction, including proposed amended strategic priorities. As these await approval, the current BAF for 2021/22 features the *existing* approved priorities, but this will realigned as appropriate

following the Board meeting and given consideration and outcome of the strategic direction discussion.

2.2 Alignment of closed BAF risks to new BAF risks

An important aspect of this process is to ensure alignment of risks carried forward to ensure those not included remain captured elsewhere. The alignment is captured below.

Area	Covid-19
2020/21	If the Trust is not properly prepared there is a risk that patients and staff will not be adequately protected from harm and that service delivery could be adversely impacted.
2021/22	There is a risk that we fail to protect service users and staff from the spread of Covid19 infection; Caused by operational systems and processes staff and patients not adhering to the relevant IPC guidance consistently; Resulting in preventable spread of infection and risks to health and safety of our staff and the people in our care.

Area	Leadership, Culture and People
2020/21	There is a risk that the Trust fails to deliver its People Strategy which could result in a failure to prioritise health and wellbeing, recruit and retain the right staff with the right skills, deliver and implement effective transformation of the workforce, develop a new approach to leadership and culture with equal opportunity for growth and development. This could impact on staff morale and engagement, sickness absence levels, recruitment and retention, quality of care and service user satisfaction rates.
2020/21	There is a risk the Trust does not deliver on its Well-Led Development Plan. This would result in a failure to meet the regulatory framework, get back to good and a failure to remove additional conditions placed on the Trust's Provider Licence.
2021/22	There is a risk that we fail to identify key cultural and work pressures impacting on staff health and wellbeing, leading to ineffective interventions; Resulting in low scores on the staff survey (low morale), high sickness absence levels and negative indicators for quality of care.
2021/22	There is a risk that we fail to attract and retain staff due to competition, reputation issues and the healthcare context, and do not find ways to present a sufficiently attractive, flexible offer of employment; Resulting in a negative impact on the quality of the workforce and negative indicators for quality of care
2021/22	There is a risk that our long-term view of workforce planning and/or management of change fails to ensure roles meet future service needs; Resulting in a disjointed approach and a disengaged workforce (industrial relation issues, increased sickness absence and poor staff retention, poor staff and service user feedback including NHS staff survey results
2021/22	There is a risk that we fail to effectively develop and implement a new approach to strengthening leadership and improving the culture of our organization and/or align this with our organisational design; Resulting in low staff morale, poor service quality and poor staff and service user feedback

Area	Patient Safety and Quality of Care
2020/21	There is a risk that the Trust is unable to improve patient safety, resulting in a failure to comply with CQC requirements and achieve necessary improvements.
2020/21	There is a risk that the Trust is unable to improve the quality of patient care, resulting in a failure to comply with CQC requirements and achieve necessary improvements.
2021/22	There is a risk that we will be unable to deliver essential improvements in the quality of care in all services within the agreed time frame to comply with the fundamental standards of care; Caused by leadership changes, short staffing, cultural challenges, the lead in time for significant estates and ISMT actions and the impact of the global pandemic; Resulting in risk of harm to people in our care and a breach in the Health and Social Care Act
2021/22	There is a risk that patients could come to harm in our inpatient wards and that inpatient and community environments do not support therapeutic care; Caused by environments that are not fit for purpose and present unacceptable risks to patient safety; Resulting in an over reliance on enhanced observations, a restrictive approach to manage safety issues thereby deskilling staff, staff time dedicated to managing environments rather than delivering patient care and giving a very poor patient experience.

Area	Financial sustainability
2020/21	Inability to deliver a break-even position resulting in a failure to deliver financial sustainability.
2021/22	There is a risk that we fail to deliver a break-even position in 2021/22; Caused by factors including non-delivery of the financial plan or CIP targets and increased cost pressures; Resulting in a threat to both our financial sustainability and delivery of our statutory financial duties

Area	IT infrastructure
2020/21	There is a risk that patient safety and clinical practice / effectiveness is adversely affected by a technical architecture that is increasingly fragile. This will lead to increasing down time across the network and the need to take key systems offline to maintain the status quo.
2021/22	There is a risk that the reliance on legacy systems and technology leads to increasing network or system downtime and cyber security incidents; Caused by historic system issues requiring complex maintenance, inadequate system monitoring, testing and maintenance, cyber security weaknesses, further development of legacy systems and delays in the procurement and roll out of replacement systems; Resulting in patient safety and clinical effectiveness being compromised by a loss of access to key clinical and administration systems and data protection incidents

Area	Transformation
2020/21	Inability to deliver our transformation plans resulting in a failure to deliver our objectives
2021/22	There is a risk that there is slippage or failure in projects comprising our transformation plans; Caused by factors including non-delivery of targets by milestones, unanticipated costs arising or lack of sufficient capacity; Resulting in service quality being compromised by the non-delivery of key strategic projects

One very specific risk which was added to the 2020/21 BAF in November 2020 related to the ability of the Safeguarding team to delivery statutory quality assurance reports. This has not been carried into 2021/22 following investment in the team and the development of a safeguarding risk register. There has also been a rapid development plan put in place including the development of a new information process with support from senior managers to aid data retrieval.

The risks described above will of course need to be reviewed and revised should any unexpected areas requiring particular focus and monitoring by Board committees be identified.

2.3 BAF snapshot

This has become a feature of BAF reporting since Board considered how it manages risk at successive Board development sessions in February. Risks are now ordered from highest to lowest, where the gulf between current risk rating and target risk rating the next denominator where scores are equal.

It should be noted that target risk scores are based within the thresholds of the Risk Appetite Statement agreed at the Board development sessions described above, and formalised for approval on the Risk Management Strategy featured elsewhere on the agenda for this meeting.

Current Risk Score			Target Risk Score		
Likelihood	Impact	Score	Likelihood	Impact	Score
There is a risk that patients could come to harm in our inpatient wards and that inpatient and community environments do not support therapeutic care; caused by environments that are not fit for purpose and present unacceptable risks to patient safety; resulting in an over reliance on enhanced observations, a restrictive approach to manage safety issues thereby deskilling staff, staff time dedicated to managing environments rather than delivering patient care and giving a very poor patient experience.					
4	5	20	1	4	4
There is a risk that the reliance on legacy systems and technology leads to increasing network or system downtime and cyber security incidents; caused by historic system issues requiring complex maintenance, inadequate system monitoring, testing and maintenance, cyber security weaknesses, further development of legacy systems and delays in the procurement and roll out of replacement systems; resulting in patient safety and clinical effectiveness being compromised by a loss of access to key clinical and administration systems and data protection incidents.					
4	4	16	1	4	4
There is a risk that we fail to attract and retain staff due to competition, reputation issues and the healthcare context, and do not find ways to present a sufficiently attractive, flexible offer of employment; resulting in a negative impact on the quality of the workforce and negative indicators for quality of care.					
4	4	16	2	3	6

....Continues

BAF snapshot continued...

Current Risk Score			Target Risk Score		
Likelihood	Impact	Score	Likelihood	Impact	Score
<p>There is a risk that we fail to protect service users and staff from the spread of Covid19 infection; caused by operational systems and processes staff and patients not adhering to the relevant IPC guidance consistently; resulting in preventable spread of infection and risks to health and safety of our staff and the people in our care.</p>					
3	5	15	1	4	4
<p>There is a risk that we will be unable to deliver essential improvements in the quality of care in all services within the agreed time frame to comply with the fundamental standards of care; caused by leadership changes, short staffing, cultural challenges, the lead in time for significant estates and ISMT actions and the impact of the global pandemic; resulting in risk of harm to people in our care and a breach in the Health and Social Care Act</p>					
3	5	15	2	3	6
<p>There is a risk that we fail to identify key cultural and work pressures impacting on staff health and wellbeing, leading to ineffective interventions; resulting in low scores on the staff survey (low morale), high sickness absence levels and negative indicators for quality of care.</p>					
4	3	12	2	2	4
<p>There is a risk that we fail to effectively develop and implement a new approach to strengthening leadership and improving the culture of our organization and/or align this with our organisational design; resulting in low staff morale, poor service quality and poor staff and service user feedback.</p>					
3	4	12	2	3	6
<p>There is a risk that our long-term view of workforce planning and/or management of change fails to ensure roles meet future service needs; resulting in a disjointed approach and a disengaged workforce (industrial relation issues, increased sickness absence and poor staff retention, poor staff and service user feedback including NHS staff survey results.</p>					
3	4	12	2	3	6
<p>There is a risk that we fail to deliver a break-even position in 2021/22; caused by factors including non-delivery of the financial plan or CIP targets and increased cost pressures; resulting in a threat to both our financial sustainability and delivery of our statutory financial duties</p>					
3	3	9	2	2	4
<p>There is a risk that there is slippage or failure in projects comprising our transformation plans; caused by factors including non-delivery of targets by milestones, unanticipated costs arising or lack of sufficient capacity; resulting in service quality being compromised by the non-delivery of key strategic projects.</p>					
3	3	9	2	3	6

3 Required Actions

Board is recommended to:

1. Receive the final BAF for 2020/21;
2. Approve the new BAF for 2021/22;
3. Receive assurance from the report around the process that has been followed in developing the new BAF.

4 Monitoring Arrangements

The BAF and Corporate Risk Register are monitored by the Director of Corporate Governance (Board Secretary). However, it is the responsibility of Board and its committees to have due oversight of it and that the papers which are brought before them provide sufficient assurance that risks are being addressed and managed.

5 Contact Details

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