

To:	Trust Board
From:	Medical Director
Date:	February 2019

Title:	Board Assurance Framework (BAF) & Corporate Risk Report
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Responsible Director: Dr Neill Hepburn, Medical Director

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Purpose of the Report:

The purpose of this report is to enable the Trust Board to:

- Review the Board Assurance Framework (BAF)
- Review the current level of risk exposure as recorded in the Trust’s Corporate Risk Register

The Report is provided to the Board for:

Decision	<input type="checkbox"/>	Discussion	<input checked="" type="checkbox"/>
Assurance	<input checked="" type="checkbox"/>	Information	<input type="checkbox"/>

Summary/Key Points:

- The Board Assurance Framework (BAF) is regularly reviewed and updated through the assurance committees of the Trust Board
- The most significant corporate risks (all rated Very high risk) currently recorded are:
 - Managing emergency demand
 - Delivery of the financial recovery plan
 - Substantial unplanned expenditure or financial penalties
 - Workforce capacity & capability (recruitment, retention & skills)
- The current corporate risk profile illustrates the extent to which the achievement of the Trust’s objectives are at risk, with 32 out of 63 corporate risks (51%) rated High or Very high; however, the number of Very high risks has reduced from 6 to 4 this month

Recommendations

That the Trust Board considers the content of the report and advises if any further action is required to improve the management of risk at this time.

Strategic Risk Register

Corporate and operational risk registers are aligned with the Board Assurance Framework (BAF) to enable the Trust Board to evaluate the extent to which its strategic objectives are at risk.

Performance KPIs year to date

Appropriate KPIs for risk management have been incorporated within the revised Risk Management Policy and will be reported regularly to the Audit Committee.

<p>Assurance Implications</p> <p>This report enables the Trust Board to review the effectiveness of corporate risk management in order to take assurance regarding the effectiveness of current risk mitigation plans and to consider the extent of risk exposure at this time.</p>
<p>Patient and Public Involvement (PPI) Implications</p> <p>The effectiveness of the Trust's risk and corporate governance arrangements is reported through the Annual Governance Statement (AGS) and is included in the opinion of both internal and external audit. As such, it may influence the degree of confidence that patients and members of the public have in the Trust.</p>
<p>Equality Impact</p> <p>The Trust's Risk Management Policy has been assessed for equality impact and no issues were identified.</p>
<p>Information exempt from Disclosure – No</p>
<p>Requirement for further review? No</p>

1. Purpose of the Report

- 1.1 The purpose of this report is to enable the Trust Board to:
- Review the Board Assurance Framework (BAF)
 - Review the current level of risk exposure as recorded in the Trust's Corporate Risk Register

2. Recommendations

- 2.1 That the Trust Board considers the content of the report and advises if any further action is required.

3. Reasons for Recommendations

- 3.1 It is essential that the Trust Board maintains an awareness of the extent of risk exposure within the Trust and has confidence in the effectiveness of the Trust's risk management arrangements.

4. Summary of Key Points

Board Assurance Framework (BAF)

- 4.1 The BAF is an important document that enables the Trust Board to maintain effective oversight of significant risks to its strategic objectives and priorities.
- 4.2 Each objective within the BAF is assigned to a lead assurance committee, which reviews evidence and reports from lead executives on performance, issues and risks. This enables the committee to provide an appropriate level of assurance to the Trust Board in relation to the management of risks to each objective in the BAF.

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- 4.3 Each lead committee has been invited to review the objectives for which it is the identified lead and, on the basis of details from the corporate risk register and evidence provided by lead executives, determine:
- If there are any assurance gaps that impact on the committee’s ability to evaluate the management of risks to that objective
 - Where there are any assurance gaps, what action will be taken to address them
 - An appropriate assurance rating to be assigned to each objective

4.4 A copy of the current BAF for 2018/19 is attached as **Appendix I** for the consideration of the Trust Board.

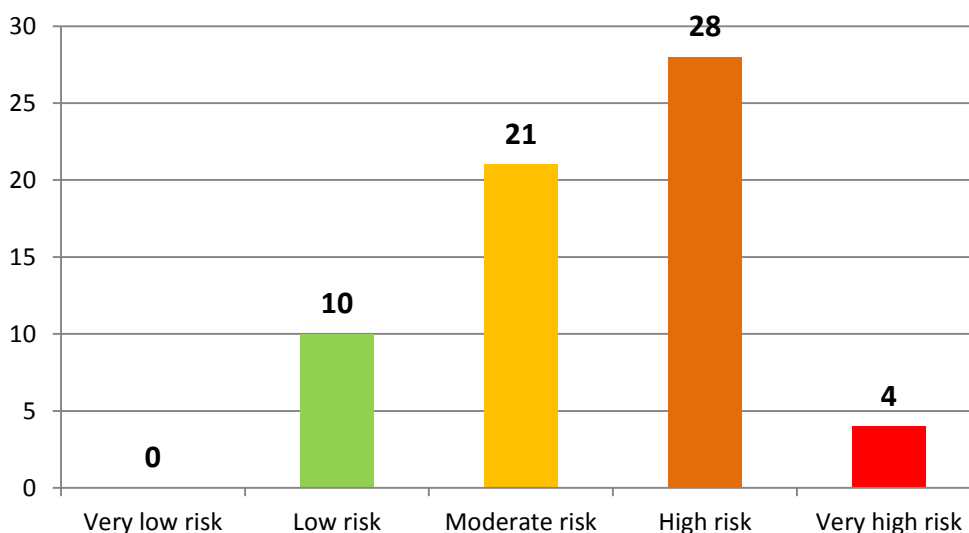
Corporate risk register

4.5 A corporate risk is defined as a risk that would have consequences for the objectives of more than one division, or for the whole Trust. All standard corporate risks have a Severity rating of 4 and are assigned to the lead executive as responsible manager and a senior operational manager as risk lead.

4.6 Wherever possible, corporate risks are also assigned to a lead management committee for regular review and oversight as well as upward reporting to the lead assurance committee.

4.7 All risks on the corporate risk register are recorded on and managed using the Datix system. The corporate risk register has been further populated and now includes detailed action plans for all risks other than those with a current rating of Low.

4.8 The Trust’s corporate risk profile (showing the number of corporate risks by current risk rating) is as follows¹:



4.9 This risk profile indicates that the Trust continues to be exposed to a substantial amount of risk to the delivery of its corporate objectives. However, the picture is steadily improving, with the number of Very high risks reduced from 6 to 4 this month.

4.10 The 4 most significant risks at present (all currently rated Very high risk) are:

¹ Please note that it is not possible for a corporate risk to have a rating of ‘Very low risk’ as the Severity used is 4 and a ‘Very low risk’ is a risk with a rating of 1-3

Risk summary	Risk rating (current)	Mitigation plans
Management of emergency demand – risk of widespread and prolonged disruption to the quality and continuity of clinical services if demand overwhelms operational capacity	20 Very high risk	Delivery of the Trust’s Urgent & Emergency Care Recovery & Transformation programme, with implementation of revised models for LCH; PHB and GDH through detailed project plans addressing site specific processes and Trust-wide themes.
Delivery of the financial recovery plan – risk of failure to achieve planned cost reductions impacting on the Trust’s financial position	20 Very high risk	Financial Turnaround Group (FTG) to oversee all planned FRP schemes & implement changes to support increased pace of delivery. Although there have been areas of underperformance in M09 (impacting in some areas to the YTD position), FEP delivery is still expected to achieve the £15.1m as forecast within the FRP.
Substantial unplanned expenditure or financial penalties – risk of additional costs impacting on the Trust’s financial position	20 Very high risk	Financial plan assumptions; People Strategy to reduce reliance on temporary staff.
Workforce capacity & capability (recruitment, retention & skills) – risk to the continuity and potentially the long term sustainability of some services if sufficient staffing levels cannot be achieved and maintained	20 Very high risk	Focus on nursing & medical staff engagement & structuring development pathways; exploration of new staffing models. Workforce planning to mitigate the risk due to age profile and potential impact of retirements.

- 4.11 The compliance risks relating to fire safety and clinical governance have both reduced in Likelihood since the previous report, due to the continued progress being made with improvement plans. However, both remain rated as High risk and are closely monitored. It should also be acknowledged that a reduced risk of regulatory action for non-compliance does not necessarily also mean there is a reduced safety risk.
- 4.12 In response to a query raised regarding the safety of the exterior of the Tower Block at Grantham Hospital, the Associate Director of Estates and Facilities has clarified that this concerns the risk of roof fascia boards falling off; there are remedial works planned for this financial year which will remove the risk completely.
- 4.13 A report showing all High and Very High risks (those scoring 12 or more) on the Corporate Risk Register is attached as **Appendix II**.

Emergent risks

- 4.14 From time to time additional risks will be identified that are not captured within the Trust’s risk framework as they are either project-related or defined by extraordinary circumstances. These will be classified as ‘Emergent risks’ and will be individually assessed and managed in accordance with the Trust’s Risk Management Policy.
- 4.15 At present the following emergent risks are rated High or Very high risk:

Risk summary	Risk rating (current)	Mitigation plans
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Risk summary	Risk rating (current)	Mitigation plans
Continuity of aseptic pharmacy services (corporate) due to issues with the condition of existing facilities and non-compliance with required standards	20 Very high risk	All aseptic production is now taking place at PHB under Section 10 exemption from the Medicines Act. The Aseptic Capacity Plan produced by the Trust's Aseptic Accountable Pharmacist is now signed off and accepted at Board level (as per QAAPS5). A business case is being developed for a new aseptic unit to comply with national GMP and QAAPS standards to mitigate risks to business continuity. This business case has been considered at CRIB in November 2018 and will be considered again in January 2019.
Impact of a 'no deal' Brexit scenario on the continuity of services	12 High risk	Contingency planning group set up, chaired by Deputy Chief Executive, to oversee local management of contingency plans and review of national arrangements.
Sustainability of Paediatric services at Pilgrim Hospital, Boston	12 High risk	Interim service model in place whilst a long-term model is being developed, working with local partners and stakeholders to ensure sustainability.
Risk of non-delivery of the E-prescribing project	12 High risk	Application to NHSI for funding to be re-submitted in January 2019. Project has yet to commence.

4.16 The emergent risk to patient safety within the Emergency Department (ED) at Pilgrim Hospital, Boston is being managed within the detailed project plan that forms part of the Trust's Quality and Safety Improvement Programme (QSIP). Considerable progress has been made with regard to putting in place strengthened processes, resources and training and a review of evidence to support an up to date assessment of the risk is currently taking place.

4.17 The emergent risks relating to the safe and effective delivery of Non-Invasive Ventilation (NIV) are due for review and have therefore not been included in this report.

Operational risk registers

4.18 Each directorate now has in place comprehensive risk register covering intrinsic risks to their core objectives relating to quality and safety; service continuity; finances; and reputation and compliance. All risks on operational risk registers are also recorded on and managed using the Datix system.

4.19 Each lead assurance committee receives a regular report detailing all High and Very high operational risks within their area of responsibility.

Risk ratings

4.20 A copy of the Risk Scoring Guide that is used to evaluate all risks that recorded within the Trust's risk registers on Datix is attached for reference as **Appendix III**.