

# Report to the Meeting of the

# PAPER

BoD 61/2015

(Agenda item: 17)

# Oxford Health NHS Foundation Trust

# Board of Directors

**29 April 2015**

**Board Assurance Framework (BAF) Q4 Report**

**For Assurance and Approval**

**Executive Summary**

This report on the position of the BAF at the end of Q4 is provided in conjunction with the Trust’s annual planning quarterly progress reports and the in-year reporting to Monitor. This report provides a summary of recent BAF movement and a reminder of the position in April 2014 as well as the full BAF. The Strategic Objectives of the Trust with the relevant BAF risks are also listed in Appendix 1 below.

On a net/residual basis, and at a strategic level, the Trust has: 1 extreme risk (down from 4 in April 2014); 13 high risks (up from 7 in April 2014); and 4 medium risks (down from 5 in April 2014).

Since the BAF was last reported to the Board in January 2015, risk SO 7.1 (facilities being unsuitable or unfit for purpose) has moved from extreme to high risk on a net/residual basis.

**Recommendation**

The Board is asked to consider:

* the content of the report to assure itself that the Trust is taking action to mitigate those risks that have the greatest potential to cause the Trust to fail to achieve its objectives; and
* whether the information contained within the report is the appropriate information in order for the Board to be assured of this.

**Author and Title:** Hannah Smith, Assistant Trust Secretary

**Lead Executive Director: Stuart Bell, Chief Executive**

1. *A risk assessment has been undertaken around the legal issues that this paper presents and there are no issues that need to be referred to the Trust Solicitors.*

**BAF purpose**

The BAF sets out the strategic risks to the Trust achieving its 7 Strategic Objectives (as set out in Appendix 1 below) and underpins the statutory requirement to produce an Annual Governance Statement which confirms that the Trust is appropriately and effectively governed and managed and maintains a sound system of internal control that supports the achievement of the Trust’s policies, aims and objectives. The BAF also informs the Trust’s strategic development and annual business planning processes.

As set out in the Annual Governance Statement, the system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to: (i) identify and prioritize the risk to achievement of the policies, aims and objectives of the Trust; (ii) evaluate the likelihood of those risks being realized and the impact should they be realized; and (iii) manage them efficiently, effectively and economically. The BAF forms the key document for the Board in ensuring all principle strategic risks are controlled, that the effectiveness of the key controls has been assured and that there is sufficient evidence to support the Annual Governance Statement.

**BAF review, movement and longer term overview**

On a net/residual basis, and at a strategic level, the Trust currently has: 1 extreme risk (down from 4 in April 2014); 13 high risks (up from 7 in April 2014); and 4 medium risks (down from 5 in April 2014).

Significant movement since January 2015 (as opposed to general updating of the controls, assurances, gaps and delivery status and action updates which can be reviewed on the full BAF):

* risk SO 2.3 (non-delivery of CIP savings) has been updated with further detail on controls, assurances and action updates;
* the net/residual and target risk ratings of risk SO 5.1A (inadequate planning for current and future workforce requirements) have been updated. The overall risk ratings remain unchanged therefore the net/residual rating is still high and the target risk rating is still medium. However, the detailed scoring has shifted (as also shown in the heat maps setting out position/movement of BAF risks):
  + previous net/residual: impact 3 x likelihood 4 = rating 12 (high);
  + new net/residual: impact 4 x likelihood 3 = rating 12 (high);
  + previous target: impact 2 x likelihood 2 = rating 4 (medium); and
  + new target: impact 3 x likelihood 2 = rating 6 (medium);
* the description of risk SO 5.1B has been amended to reflect the wider strategic challenges around recruitment, as opposed to the more specific operational challenges around recruitment into particular banded posts. At the last review by the Board in January 2015, it read (with deleted words shown in italics and strike through): Inability to fill vacancies *~~particularly for B5/B6 registered nurses in both physical and mental health and school nursing~~* resulting in the quality and quantity of healthcare being impaired.

This risk area is also picked up at an operational level in the Trust Risk Register with the risk that: the Trust will not achieve required recruitment of staff to substantive posts which may result in increased usage of agency staff and inability to fill emergency shifts which may result in poorer care, an increase in safety incidents and poorer patient outcomes and experience; and

* the net/residual risk rating for risk SO 7.1 (facilities being unsuitable or unfit for purpose) has decreased from extreme to high. Previously the impact rating was 5, the likelihood rating was 3 and the net/residual rating was 15 (extreme). Following progress with the department restructure, Planned Preventative Maintenance (PPM) works and Manchester Tool ligature assessments, although the impact rating remains 5, the likelihood rating has decreased to 2 and the net/residual rating has become 10 (high). The following gaps against controls/assurances have also now been removed from the BAF at the request of the Director of Estates and Facilities:
  + previous gap in relation to lack of operational maintenance know-how. Actions in relation to this gap previously included the department restructure, scheduling of PPM works and an asset survey to identify unknown engineering plant and equipment with quotes for PPM for newly identified assets; and
  + previous gap in relation to the completion of Manchester Tool ligature assessments. The ligature assessments have taken place and this gap has been replaced by the new gap for the Manchester Tool works (Phases 1 and 2) to be undertaken.

**Position and movement of BAF risks**



**Appendix 1: Strategic Objectives of the Trust with BAF risks**

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| **1. Driving Quality Improvement**  (Goals: patients will be safe from harm; patients will achieve the clinical outcomes they want; and patients and carers will have an excellent experience) |
| ***BAF risks*** |
| 1.1. Failure to: (i) meet consistently quality standards for clinical care; (ii) address variability across quality standards; or (iii) reconcile conflicting quality standards or guidance, will result in poorer outcomes for patients and poorer patient safety and experience |
| 1.2. Failure of service models to deliver an integrated care pathway may mean that the individual needs of patients, including those with special needs and/or disabilities, are not met and that patients are not provided with appropriate access to, and transfer between, services |
| 1.3. Failure to manage change effectively may compromise quality and safety during the transition from current to future service models and compromise staff and stakeholder engagement |
| 1.4. (Formerly 4.3) Failure to ensure patients and carers are involved in managing and leading on their own care could lead to compromising patient outcomes and not delivering sustainable health care |

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| **2. Delivering Operational Excellence**  (Goals: our services will be effective and efficient; information will be translated into knowledge; and our planned surplus will be delivered) |
| ***BAF risks*** |
| 2.1. Failure to put effective governance (both corporate and clinical) arrangements in place may lead to: poor oversight at Board level of risks and challenges; strategic objectives not being established or structures not in place to achieve those objectives; or appropriate structures and processes not in place to maintain the Trust's integrity, reputation and accountability to its stakeholders |
| 2.2. Ineffective business planning arrangements that do not integrate activities at all levels of the Trust may lead to: the Trust being in breach of regulatory and statutory obligations; the Trust failing to achieve its annual objectives and consequently being unable to meet its strategic objectives |
| 2.3. (Formerly 4.2) Non-delivery of CIP savings and productivity gains may lead to: failure to deliver the Trust's financial plans; additional scrutiny and intervention by Monitor; insufficient cash generation to fund future capital programmes |

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| **3. Delivering Innovation, Learning and Teaching**  (Goals: the impact of the AHSN, AHSC and CLAHRC will be maximised; we will collaborate in research and innovation; and we will deliver high quality teaching) |
| ***BAF risks*** |
| 3.1. Failure to fully realise the Trust's academic and Research and Development potential may adversely affect its reputation and lead to loss of opportunity |
| 3.2. Failure to be sufficiently innovative and leading edge in its practice may lead to the Trust not being able to keep current contracts or realise its potential in a competitive market |

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| **4. Developing Our Business through Collaboration and Partnerships**  (Goals: we will work in collaborative partnerships; we will maintain and grow our services where we add value; and we will have strong relationship with our stakeholders) |
| ***BAF risks*** |
| 4.1. Failure to successfully influence, manage and prepare for changes in commissioning arrangements and the wider Health and Social Care system may compromise the Trust's ability to deliver, maintain and win new contracts |
| 4.2. Failure to work collaboratively and effectively with external partners may compromise service delivery and stakeholder engagement |
| 4.3. If the Trust does not proactively engage with its membership, patients and the wider public then this may compromise its ability to listen and respond to feedback, involve stakeholders proactively and communicate effectively and transparently |

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| **5. Developing Leadership, People and Culture**  (Goals: staff satisfaction will be in the top 20% of Trusts nationally; our staff and team will be high-performing; and we will recruit and retain an excellent workforce) |
| ***BAF risks*** |
| 5.1.  A. Inadequate planning for current and future workforce requirements (including number of staff, calibre, skills and training) or ability to respond to changing requirements in a timely manner may lead to: impaired ability to deliver the quantity of healthcare services to the required standards of quality; and inability to achieve the business plan and strategic objectives |
| 5.1.  B.[[1]](#footnote-1) Inability to fill vacancies resulting in the quality and quantity of healthcare being impaired |
| 5.2. Failure to put in place a coherent and co-ordinated structure and approach to organisational development and leadership development may jeopardise: (i) the development of robust clinical and non-clinical leadership to support service delivery and change; (ii) the Trust becoming a clinically-led organisation; and (iii) the Trust becoming a "well-led" organisation under the CQC domain |

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| **6. Getting the most out of Technology**  (Goals: our patients and staff will have the right technology available; our workforce will have the necessary IT skills to do their jobs well; and an outstanding IT service will be delivered) |
| ***BAF risks*** |
| 6.1. Incomplete and inaccurate data and records, both clinical and operational, may lead to: less effective planning and decision-making; lesser control over service safety and quality; lesser ability to drive improvements in safety, quality and productivity |
| 6.2. Failure to meet the key objectives of the project to replace the Electronic Health Record system may lead to: inaccurate patient records; inefficient use of clinicians' time; less safe and lesser quality of care; increased cost of operation through lost opportunities to improve productivity |

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| **7. Using our Estate efficiently**  (Goals: patients and staff will benefit from safe and appropriate environments; our estate will be sustainable and environmentally-friendly; and our estate will be cost-effective) |
| ***BAF risks*** |
| 7.1. Facilities being unsuitable or unfit for purpose may lead to: increased risk to patient safety; lesser quality of care and patient experience; increased cost of operation; breach of statutory requirements |

1. The wording of this risk has been amended. At the last review by the Board in January 2015, it read (with deleted words shown in italics and strike through): Inability to fill vacancies *~~particularly for B5/B6 registered nurses in both physical and mental health and school nursing~~* resulting in the quality and quantity of healthcare being impaired. This risk area is also picked up at an operational level in the Trust Risk Register with the risk that: the Trust will not achieve required recruitment of staff to substantive posts which may result in increased usage of agency staff and inability to fill emergency shifts which may result in poorer care, an increase in safety incidents and poorer patient outcomes and experience. [↑](#footnote-ref-1)