
# Report to the Meeting of the

# Oxford Health NHS Foundation Trust

# Board of Directors

# PAPER

BOD 13/2018

(Agenda item: 15)

**31 January 2018**

**Board Assurance Framework (BAF) Q3 Report**

**For Assurance and Approval**

**Executive Summary**

This report on the position of the BAF at the end of Q3 is provided in conjunction with the Trust’s annual business planning quarterly progress report (the business plan report refers to the Trust’s annual Strategic Priorities). This report however refers to the long term Strategic Objectives of the Trust and the risks which could cause the Trust to fail to achieve these as set out in the full BAF.

The long term Strategic Objectives of the Trust with the relevant BAF risks are listed in Appendix 1 below. The full BAF is also provided so the detail is available if required.

On a current/residual basis, and at a strategic level, the Trust has:

* 5 extreme risks:
	+ financial exposure (including Oxfordshire risk share);
	+ Cost Improvement Programme (**CIP**) target;
	+ system delivery (care, finances and risk share);
	+ inadequate planning for future workforce requirements; and
	+ inability to fill vacancies;
* 10 high risks – of which the risks around: (i) data quality and completeness; and (ii) collaborative partnerships are the most “likely” to materialise; and
* 5 medium risks.

**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.

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

**Lead Executive Director: Kerry Rogers, Director of Corporate Affairs and Company Secretary**

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.

The BAF is also supported by the Trust Risk Register, which sets out the operational risks to the Trust achieving its Strategic Objectives, together with directorate and other local risk registers.

**BAF review and movement**

On a current/residual basis, and at a strategic level, the Trust currently has:

* 5 extreme risks:
	+ financial exposure (including Oxfordshire risk share);
	+ CIP target;
	+ system delivery (care, finances and risk share);
	+ inadequate planning for future workforce requirements; and
	+ inability to fill vacancies;
* 10 high risks – of which the risks around: (i) data quality and completeness; and (ii) collaborative partnerships are the most “likely” to materialise; and
* 5 medium risks.

These are shown on the heat maps below.

**Position and movement of BAF risks**

Following discussion at Board and Quality Committee meetings over October to November 2017, the following have been added:

* SO 1.5 new risk escalated from the Trust Risk Register, having also been developed from the Children & Young People’s Directorate Risk Register that: Failure to care for patients in an appropriate inpatient placement or environment, due to bed pressures or absence of community or social care support, could lead to:
	+ compromising patient outcomes;
	+ patients and carers/families not having an excellent experience; and
	+ services falling below reasonable public expectations with ensuing publicity and criticism of the organisation and the wider Health & Social Care system; and
* SO 2.4 risk specifically around non-delivery of CIP targets separated out from risk at SO 2.3 around financial exposure more generally. As discussed at the Board meeting in October 2017, separate risk developed to acknowledge likelihood of FY18 CIP target not being met.

These are shown on the heatmaps below.

**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. *Revised wording from June 2017:* Failure to manage change effectively may compromise: (i) quality and safety for patients during the transition from current to future service models; and (ii) staff morale and wellbeing during periods of transition, including during internal restructurings/organizational change, which may lead to staff being unable to deliver on objectives or drive quality improvement and/or lead to difficulties retaining staff. *Former wording: 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. 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 |
| 1.5 *New strategic risk since October/November 2017:* Failure to care for patients in an appropriate inpatient placement or environment, due to bed pressures or absence of community or social care support, could lead to: * compromising patient outcomes;
* patients and carers/families not having an excellent experience; and
* services falling below reasonable public expectations with ensuing publicity and criticism of the organisation and the wider Health & Social Care system.
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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; or the Trust failing to achieve its annual objectives and consequently being unable to meet its strategic objectives  |
| 2.3. Risk of financial exposure (including, but not limited to, through non-delivery of CIP savings, failure to realise productivity gains or failure to mitigate against the impact of wider financial system risks such as the Oxfordshire risk share agreement) may lead to failure to deliver the Trust's financial plans, additional scrutiny and intervention by NHS Improvement and insufficient cash generation to fund future capital programmes. |
| 2.4 *Standalone risk since October 2017:* Non-delivery of CIP savings and productivity gains may lead to: failure to deliver the Trust's financial plans; additional scrutiny and intervention by NHS Improvement; and 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 relationships with our stakeholders) |
| ***BAF risks***  |
| 4.1. *Revised wording from June 2017:* Failure of the Health and Social Care Systems in which we work to act together to deliver integrated care, maintain financial equilibrium and share risk responsibly may impact adversely on the operations of the Trust. *Former wording: failure of the Health and Social Care Systems in which we work to act together to deliver integrated care. Changes in Health and Social Care Systems may impact adversely on the operations of the Trust* |
| 4.2. *Revised wording from June 2017:* Failure to work collaboratively and effectively with external partners may compromise service delivery, stakeholder engagement and ability to maintain financial equilibrium within the local healthcare system. Particularly challenging to encourage partners to focus on mental health issues and to work collaboratively whilst they face their own immediate challenges during a period of wider system pressure and increased activity. *Former wording: 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. 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 |