

**BOARD MEETING**

**28 July 2016**

Paper Title:	Board Assurance Framework 2016/17
Section:	Public
Lead Director:	Paul Hogg, Trust Secretary
Paper Author:	Paul Hogg, Trust Secretary
Agenda Item:	16
Presented For:	Approval

**1. Purpose of this Report**

This report presents the revised Board Assurance Framework (BAF) for 2016/17 for consideration/approval, following the Forward to Excellence meeting held on 12 May 2016. The Board is invited to reach a conclusion on:

- the draft risk score and allocation to Executive Directors for each element of the BAF;
- the role of Board Committees in monitoring the BAF; and
- whether a quarterly discussion at Board is sufficient for wider assurance processes.

**2. Financial Implications**

There are no direct financial implications set out in this report.

**3. Legal Implications**

All Foundation Trusts are required to maintain a BAF as part of its corporate governance reporting arrangements.

**4. Equality Impact Assessment**

An equality impact assessment has not been undertaken on this report.

**5. Previous Meetings/Committees Where the Report Has Been Considered:**

Audit Committee	<input type="checkbox"/>	Quality & Safety Committee	<input type="checkbox"/>	Remuneration Committee	<input type="checkbox"/>	Finance Business & Investment Committee	<input type="checkbox"/>
Executive Management team	<input checked="" type="checkbox"/>	Directors' Meeting	<input checked="" type="checkbox"/>	Chair of Committees' Meeting	<input type="checkbox"/>	MH Legislation Committee	<input type="checkbox"/>

## Risk Issues Identified for Discussion

The BAF identifies potential risks in relation to the Trust's strategic objectives.

### 6. Links to Strategic Drivers

Patient Experience	Quality	Value for Money	Relationships
The content of the Board Assurance Framework has a direct bearing on all of the strategic aims.			

### 7. Publication Under Freedom of Information Act

This paper has been made available under the Freedom of Information Act.

### 8. Recommendations

That Trust Board:

- considers the outputs from the F2E workshop at Appendix 1;
- considers the content of the refreshed BAF including Executive Director allocation of risks and initial risk scores outlined within Appendix 2;
- considers whether there is a lead role for Board Committees;
- agrees that the BAF should be submitted to the Audit Committee on a regular basis; and
- identifies any issues relating to the gaps in controls or gaps in assurance that require further action by EMT/the Board.

## **Board Assurance Framework (BAF) 2016/17**

### **Background**

1. The Board approved a revised format of reporting the BAF at its meeting in April 2016. It also agreed to re-visit whether Board Committees should take a lead role for specific elements of the BAF or whether it was for the Board itself to decide how actions should be translated into Committee work programmes.

2. Since then a Forward to Excellence (F2E) workshop was held on 12 May 2016 with a focus for the Board and Senior Leadership Team to confirm the Trust's strategic risks, create a clear and shared understanding what actions are needed to mitigate them, and provide evidence that could be used in the BAF process. This provided a rich source of information (see the summary at Appendix 1) that has been used to inform the refreshed BAF (see Appendix 2).

### **Proposal**

3. The presentation of the BAF has moved away from a detailed narrative library of information towards a more succinct summary of key headlines. This format is aimed to facilitate a strategic dialogue about risks and movement of risks that may then warrant a more detailed discussion, potentially at Committees. Board members have the knowledge and oversight of the strategic challenges facing the Trust through their other work (Committee roles, Executive functions etc.) to be able to focus on the movement of risks and how these might require remedial action. The headings of the original BAF (positive assurances, positive controls, gaps in controls and gaps in assurance) have been retained and the risk scoring matrix/appetite used in the Board's Risk Managed Strategy has been adopted.

4. Each element of the revised BAF has been allocated to and agreed by the relevant Executive Director. In subsequent reports, Directors will be consulted on, and approve, their elements of the quarterly submission of the BAF to Board (in a similar approach to that taken with the Corporate Risk Register). This will help to ensure that there is Executive level ownership of the BAF and that actions agreed by the Board are followed through across the organisation, whether this is done through senior management structures, Board Committees or at Trust Board itself. Based upon the outputs of the BAF workshop, work of the Board Committees since April 2016 and discussions within EMT, an initial allocation and score for each BAF risk has been submitted for consideration by the Board.

5. Having considered the content of the refreshed BAF, Board members are asked to consider whether Board Committees should have a role in monitoring individual BAF risks or whether the quarterly consideration at Board is sufficient. Board meetings provide only limited discussion time on the BAF which has potentially stymied identification of solution-focused actions that then can be delivered via Committees. The Board may wish to reflect on how it wishes to address this.

### **Monitoring and review**

6. It is proposed that:

- the BAF will continue to be submitted to the Board on a quarterly basis, in the new format and aligned to the quarterly NHS Improvement return (i.e. April, July, October and January Board meetings);

- the BAF will also be submitted to the Audit Committee for review within its terms of reference (which includes providing an independent and objective review of financial and corporate governance and risk management).

## **Recommendations**

### 7. That Trust Board:

- considers the outputs from the F2E workshop at Appendix 1;
- considers the content of the refreshed BAF including Executive Director allocation of risks and initial risk scores outlined within Appendix 2;
- considers whether there is a lead role for Board Committees;
- agrees that the BAF should be submitted to the Audit Committee on a regular basis; and
- identifies any issues relating to the gaps in controls or gaps in assurance that require further action by EMT/the Board.

## Summary of F2E BAF outputs by Strategic Aim

### 1. Consolidation of Market Share: being great in our patch

The workshop identified a significant number of comments against this strategic aim recognising this as a long-standing aim for the Trust. More specific comments were:

- 1.1 – the Trust has a good track record of overcoming demand/capacity issues and is aware of when there are adverse signs that quality is affected. However, further work is required on data modelling future services and there is uncertainty about the impact of changes to nursing homes/care homes on BDCFT services longer term;
- 1.2 – the Trust is realistic about the efficiency challenges it faces and it has a good track record in delivering transformational change. However, there is a recognition that delivery of future plans will require greater integration of services through new models of care;
- 1.3 – In terms of regulatory performance, the Trust has a strong track record, good relationships with commissioners and regulators. Our current performance against NHS Improvement and CQC targets demonstrate it is currently performing well nationally and we have robust processes in place to mitigate risks to performance from a financial and quality perspective;
- 1.4 – Tightening of public sector finances is an increasing concern, in a very fast moving environment. Whilst the Trust is actively involved in new models of care (Vanguards, STPs and ACSs) more issues are now considered on a wider geographical footprint rather than by individual providers. The Trust has plans in place to address financial pressures and the FBIC monitors any risk of financial deterioration;
- 1.5 – the Trust recognises there are some service contracts at risk of re-tendering and services are putting in place transformational plans to address this. There is further work needed on better understanding competitors and build closer relationships with certain commissioners; and
- 1.6 – the Trust acknowledges that reductions in service contracts would have a serious effect. Some services have been successful in identifying new funding work streams across mental health but less successfully across community services with further benchmarking required.

### 2. Manage the impacts on the whole system of reduced health and social care funding: working in partnership to develop cost effective out of hospital services and pathways to support the delivery of sustainable services

The workshop identified significantly less comments on this strategic aim, suggesting that the senior leadership team outside of the Board was less involved in discussions taking place about whole system leadership. More specifically:

- 2.1 – there seemed to be a lack of evidence and data analysis to support large scale system change and limited communication of key messages to help support staff understand potential changes. However, some examples of good partnership working were identified such as with Barnardo's and in reviewing new pathways;
- 2.2 – positive assurances included evidence around the introduction of new IAPT models, a shared vision for children's services based around clusters and the mental health acute care pathway that had been delivered both at scale and pace.

Again there was a lack of evidence about whether the local health economy had a shared vision and whether financial efficiencies had been fully identified; and

- 2.3 – comments highlighted the need for further clarity around governance arrangements, the scope of this work and inputs/outputs associated with the Vanguard programme.

### **3. Secure Funding for new or expanded services**

The comments/evidence provided against this strategic aim illustrated that there was significant awareness across the senior leadership team about the size of the challenge of securing new business but that the organisation need to better articulate a strategy that would result in long term commercial success. More specific comments were:

- 3.1 – the Trust was very proactive in identifying when tenders were published and it had recently strengthened the capacity of the business development team. However, gaps in assurance included the need to understand where best to channel commercial expertise and develop a level of maturity around partnership engagement;
- 3.2 – examples of positive assurance included where the Trust had developed innovative services and that staff were committed to the vision and values of the organisation. Further work was identified around learning from unsuccessful tenders and identification of our USPs (linked to the refreshed commercial strategy); and
- 3.3 – positive comments included strong feedback on quality from commissioners and through the FFT. Other comments related to clarity of the Trust's brand, the need to emphasise in tenders our strengths around service user involvement and development of our USPs.