

Board Assurance Framework (BAF) 2016/17

July 2016 (Quarter 1 reporting period)

This is the first submission of the new BAF format and summarises the overall risk scores. Since the last BAF report, a number of significant developments have taken place including: discussions about 2 ACSs; the development of the West Yorkshire STP (and how this involves local STPs); confirmation by the CQC of a 'Good' rating across all domains; and changes in the Executive Management Team. Future editions will summarise the key BAF movement/changes each quarter.

Overall risk position

5				2.3	
4	1.3	1.1 1.2 2.1	1.5, 2.2 3.1, 3.2	1.4	
3		3.3	1.6		
2					
1					
	1	2	3	4	5
	LIKELIHOOD				

Trust Board is invited to :

- discuss/confirm the risk scores as presented (further detail on following slides); and
- seek further clarification from Executive Directors.

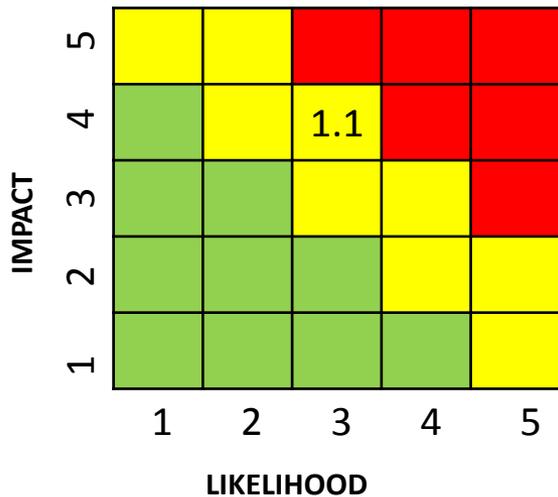
Strategic Aim : Consolidation of Market Share : being great in our patch
Strategic Risk 1.1 : If demand for services exceeds capacity, then service quality, safety and performance could deteriorate
Lead Director : Nicola Lees, Deputy Chief Executive
Key Update/Mitigation since last report : Q&SC received reports from the Children’s Services and Adult Physical Health Community Services Business units (May 2016); positive assurance from annual reports into incident management, serious incidents, and complaints suggesting that whilst some services were under pressure there has not been a deterioration in overall quality to date; Q&SC dashboard and recent Board IPR showing majority of quality targets are being met. Senior management continue to meet regularly with commissioners through CMB, QPG and System Resilience Group to discuss quality and demand pressures.

Risk Movement



This is the first allocation of the BAF risk score; risk movement will be presented through future quarterly reports.

Risk Position



-  Contracting arrangements through CMB – pro-active reports from the Trust
-  CPB report and Committee dashboard to FBIC; IPR dashboard to Trust Board
-  2016/17 contracts in place with CCGs, LA and NHSE
-  Data modelling of future services requires further development
-  Uncertainty around timescales for re-tendering of some LA services
-  Impact of changes to nursing homes/care homes difficult to quantify

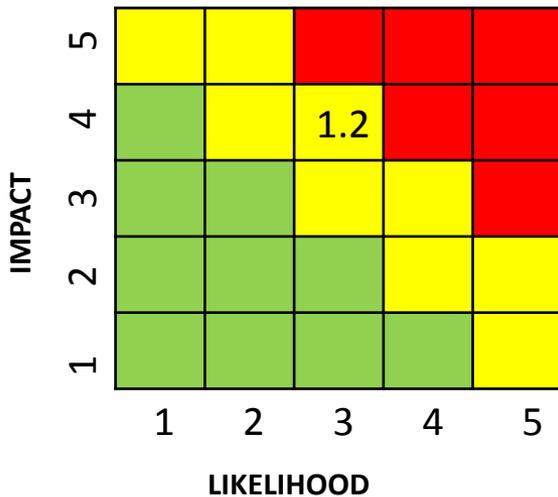
Strategic Aim : Consolidation of Market Share : being great in our patch
Strategic Risk 1.2 : If services are not transformed effectively and on time then planned improvements to quality or finances could be lost
Lead Director : Nicola Lees, Deputy Chief Executive
Key Update/Mitigation since last report : The Trust has recently changed its reporting processes to integrate the Directors' meeting and Change Programme Board into a Business and Transformation Governance meeting and re-structured the Project Management office. The F2E feedback recognised the Trust's track record of delivering transformation but that new models of care (and related governance processes) were critical and still at a relatively early stage of development. Capacity and capability of managers ability to bring about change has been partially mitigated through the Engaging Leaders and Moving Forward programmes, with further cohorts in 2016/17. Senior Management time-out on agile working completed.

Risk Movement



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Risk Position



-  CPB and IPR reports to FBIC and Board
-  Developing transformational leadership capacity - through Engaging Leaders
-  Technological readiness for change – IM&T challenges/resources, lack of CIO
-  Clarification required on how STPs will influence local transformation
-  Development from agile working to become a truly digital organisation – visioning work required

Strategic Aim : Consolidation of Market Share : being great in our patch

Strategic Risk 1.3 : If regulatory standards or local expectations for excellent services are not met then we may experience intervention or damage to our reputation and relationships

Lead Director : Andy McElligott, Medical Director

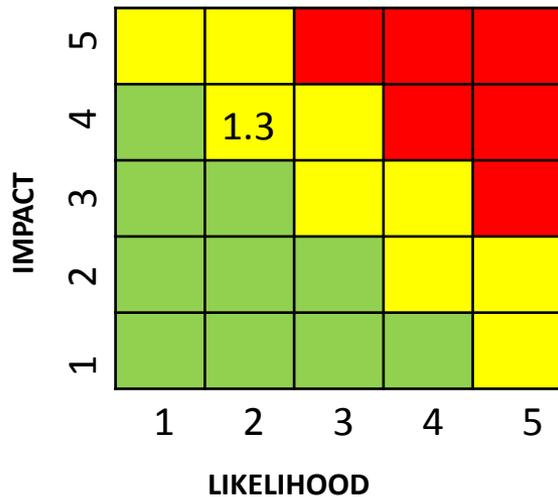
Key Update/Mitigation since last report : Board Committees regularly review quality/financial issues and the Trust is currently performing well against both NHSI and CQC targets. Engagement with service users and carers is progressing (Carer's Hub, First Response and forthcoming launch of additional IAPT services - September 2016) with further work to be undertaken in the Autumn to develop the next phase of *You and Your Care* with Governors. Communications strategy (July 2016) sets out how the Trust seeks to maintain a positive reputation with stakeholders. Positive assurance around compliance against CQC registration.

Risk Movement



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Risk Position



-  Self assessment against CQC registration (June Board)
-  CQC rating confirmed as 'Good' across all 5 domains
-  Robust processes in place for financial returns to NHSI through FBIC and Board
-  Regular Committee reports on quality (Q&SC) and finance (FBIC)
-  Well-led Framework review submission to Board (September 2016)
-  Implications of Single Oversight Framework yet to be quantified

Strategic Aim : Consolidation of Market Share : being great in our patch

Strategic Risk 1.4 : If Public Sector finances tighten then our financial position could deteriorate

Lead Director : Liz Romaniak, Director of Finance, Contracting and Estates

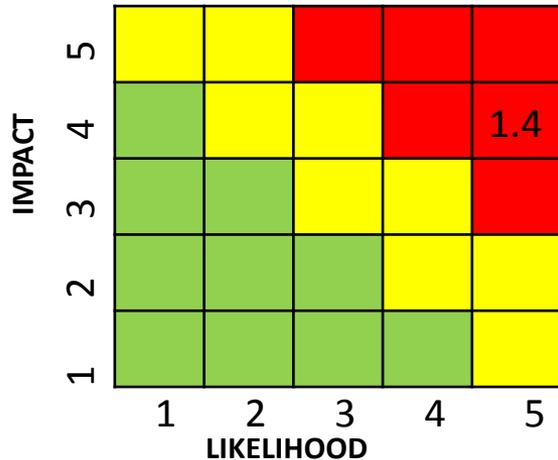
Key Update/Mitigation since last report : Whilst jointly owned STP planning assumptions include assumed uplifts for Community demographic and MH investments there are significant risks that i) LA and PH budget impacts on our services are impossible to quantify (and could deteriorate linked to Brexit); and ii) STPs are developing locally and at WY level but require further detail financially to articulate and quantify the clinical strategies. More locally, both Acute partners have planned deficits, AWC CCGs is in recovery and Bradford CCGs have unidentified QIPPs. The implications of the EU Referendum are uncertain but expected to exacerbate the challenge (price inflation, potential pay inflationary spiral, LA business rate risks, staffing shortages and agency reliance, query additional government department budget reductions). The Government's Autumn Statement (November/December 2016) and Budget (March 2017) will set out economic position based on latest forecasts from the OBR.

Risk Movement

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Risk Position



-  Shared planning assumptions within both local and West Yorkshire STP
-  Local CCGs agreed planning assumptions for City Demographic & MH Uplifts
-  Single Oversight Framework consultation & EBITDA related risks
-  Uncertainty over control total and access to/conditions for STF in future years
-  Uncertain implications of known LA budget / PH grant reductions targeted
-  AWC CCG in financial recovery / Bradford CCGs experiencing unidentified QIPP
-  Financial implications of BREXIT on public sector finances unclear

-  Current Positive assurances
-  Current Positive control measures
-  Gaps in control
-  Gaps in assurance

Strategic Aim : Consolidation of Market Share : being great in our patch

Strategic Risk 1.5 : If productivity, efficiency and value for money are not improved then we may gradually lose contracts to more competitive providers and could become unviable

Lead Director : Liz Romaniak, Director of Finance, Contracting and Estates

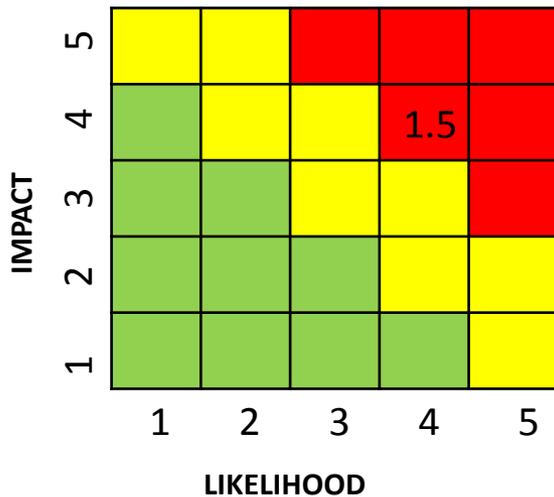
Key Update/Mitigation since last report : The low turnover of the Trust means that fixed/overhead costs tend to be disproportionate % of costs compared to benchmark. FBIC has prioritised a programme of work to focus on targeting overhead cost efficiency/improvements during 2016/17 in recognition of the number of procurements expected in the future. This work plan should i) improve the costs when tendering and ii) reduce the impact on the Trust should any services be lost. The Trust has a well established CIP governance arrangements including service transformation and more transactional CIPs but will increasingly need to work with partners e.g. responding to NHS Improvement back office and NMOC and partnering with VCS/ utilising new contract models.

Risk Movement



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Risk Position



-  FBIC has supported a programme of targeted corporate/estates cost benchmarking, CIP scoping and rebasing of CCG and LA contract values (income = cost)
-  CPB, EMT, FBIC and Board monitor CIP programme and any necessary substitutions
-  EMT bringing forward Annual Planning process for 2017/18
-  Further work underway to agree detailed 2017/18 agile workforce plan
-  Low secure local pricing review requested

-  Current Positive assurances
-  Current Positive control measures
-  Gaps in control
-  Gaps in assurance

Strategic Aim : Consolidation of Market Share : being great in our patch

Strategic Risk 1.6 : If commissioners reduce the value of service contracts then we may not be able to cover fixed costs, with adverse consequences for our financial sustainability

Lead Director : Liz Romaniak, Director of Finance, Contracting and Estates

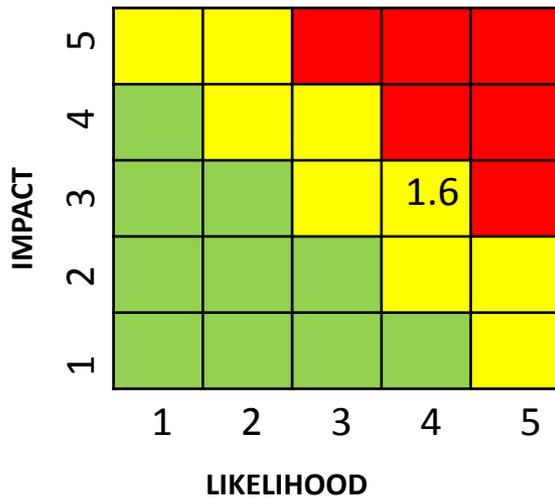
Key Update/Mitigation since last report : With the expectation of reduced public sector funding in future years, it is likely that we will be challenged by Commissioners (LA, CCG and NHSE) to manage i) within fixed resources ii) reduced cash envelopes or iii) face re-procurement. Key areas of immediate challenge include LA SMS procurement, LA potential School Nursing and potential future HV/FNP procurements, NHSE Community Dental Services procurement, Proposed new arrangements for Forensic specialised commissioning.

Risk Movement

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Risk Position



- Contract extension for HV/FNP
- Redesign of children’s services and positive relationships/recommendation to Executive from PH
- Overheads work programme progressing via FBIC
- School nursing procurement yet to be decided by LA
- Uncertainty against longer term HV/FNP procurement
- SMS likely that will retain dual diagnosis risks relating to other current provision
- Community Dental services procurement and lots announced, partnership arrangements to be developed

Strategic Aim : Manage the impacts of 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

Strategic Risk 2.1 : If local health and care leaders do not develop a plan for sustainable health provision then individual organisations may fail with potential to destabilise the whole system

Lead Director : Andy McElligott, Medical Director & Nicola Lees, Deputy Chief Executive

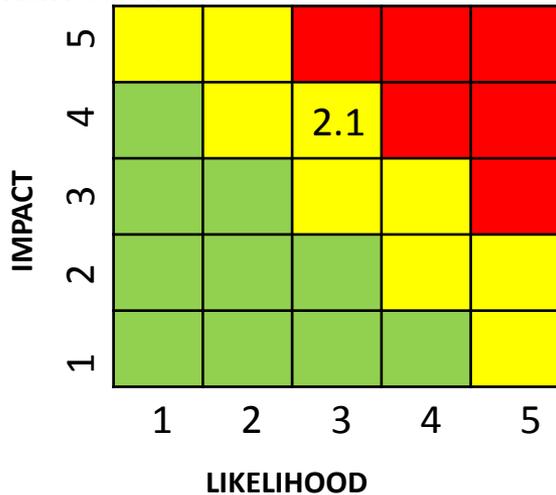
Key Update/Mitigation since last report : There are a number of service integration projects underway to mitigate this risk (e.g. diabetes collaboration in Bradford/diabetes partnership bid in AWC, subcontractor in the complex care project). The Trust is playing a key role in the development of the local STP although the West Yorkshire STP is now taking greater precedence. Recent decisions around two local ACSs will mean the Board will require a clearer strategy around provider collaboration and preferred delivery models.

Risk Movement



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Risk Position



-  ICB updates to Board
-  West Yorkshire Urgent & Emergency Care Vanguard
-  Clarity of governance arrangements for ACSs
-  Board level discussion on whole system arrangements (July Board away day) and Refresh of Commercial Strategy (September 2016)
-  Narrowing of financial gap across STP still requires further development

Strategic Aim : Manage the impacts of 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

Strategic Risk 2.2 : If we and local partners do not implement more cost effective out of hospital services at the necessary scale and pace then population demand will exceed available resource

Lead Director : Andy McElligott, Medical Director

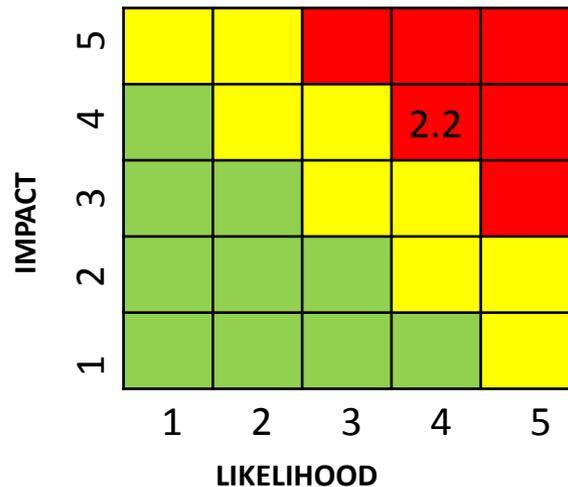
Key Update/Mitigation since last report : Three large scale workshops across the local health economy have taken place to address diabetes pathways, EMT members are playing an active role in both local and West Yorkshire STP but there is still a significant amount of work to complete about how integrated care pathways will develop within two separate ACSs. Launch of Bradford's Out of Hospital structured collaboration scheduled for 22.9.16.

Risk Movement



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Risk Position



-  Leading provider in diabetes collaboration in Bradford; partnership bid in AWC
-  Member of both AWC and Bradford provider alliances
-  Local Out of Hospital strategy yet to be produced
-  Capacity of clinical leadership across local patch
-  Clarity over ACS governance arrangements and capitation budget arrangements

Strategic Aim : Manage the impacts of 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

Strategic Risk 2.3 : If we and West Yorkshire Vanguard partners fail to deliver at scale and pace then we will not secure associated funding, expected efficiencies or services improvements

Lead Director : Simon Large, Chief Executive

Key Update/Mitigation since last report : The Healthy Futures leadership team has produced a set of collaborative principles for collaboration across West Yorkshire and data analysis and benchmarking analysis has been undertaken on certain MH priorities (e.g. OOA treatments). Greater level of project management required to manage identified work streams.

Risk Movement

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Risk Position



 Current Positive assurances
  Current Positive control measures
  Gaps in control
  Gaps in assurance

Strategic Aim : Secure Funding for new or expanded services

Strategic Risk 3.1 : If we do not secure contracts for new or expanded services then there may be insufficient income to cover our fixed overhead costs

Lead Director : Nicola Lees, Deputy Chief Executive

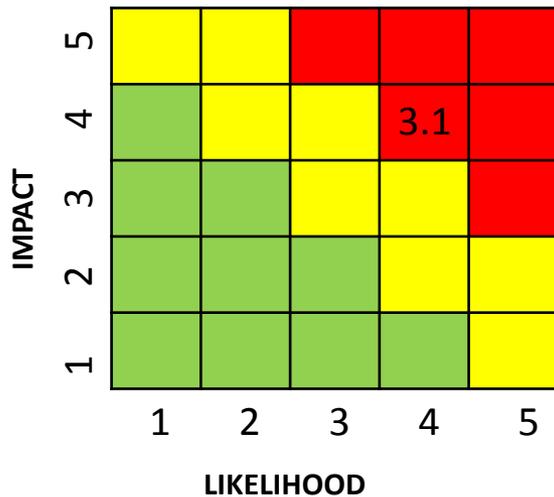
Key Update/Mitigation since last report : Recent re-organisation of the business support function has provided improved focus on how tender opportunities will be managed. New scoring matrix supports informed commercial decision making. A delivery partner network is being established (July 2016) to identify local and regional partners keen to collaborate with the Trust. A formal process and framework for investing in commercial ideas from staff being developed (August 2016). Timescale for building internal capacity yet to be agreed.

Risk Movement



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Risk Position



-  New business development team established & tendering matrix in place
-  Bid and tender pipe line reports to Directors' meeting and FBIC
-  Templates in place for MoUs with partner organisations
-  Refreshed Commercial Strategy expected in September
-  Internal capacity at service/clinical level to support and prioritise tender opportunities

Strategic Aim : Secure Funding for new or expanded services

Strategic Risk 3.2 : If we do not provide innovative, responsive and commercial services then we may be unsuccessful in securing necessary contract growth

Lead Director : Nicola Lees, Deputy Chief Executive

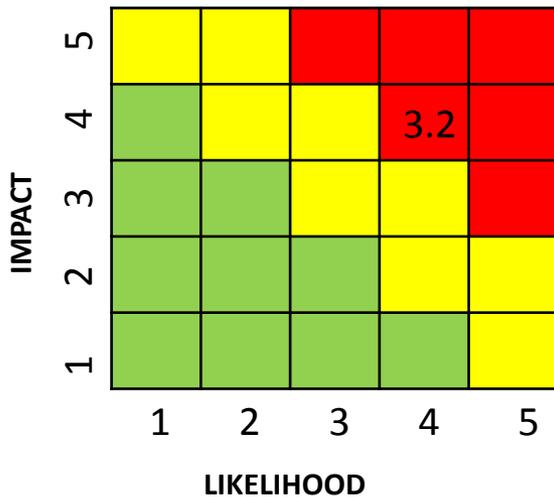
Key Update/Mitigation since last report : A number of new elements with the refreshed Commercial Strategy are aimed at delivering partnership networks to work collaboratively on tendering opportunities and to provide a framework for staff to identify commercial opportunities themselves that offers a competitive edge. Further work is needed to develop internal commercial capacity.

Risk Movement

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Risk Position



-  Local and national innovation across MH services
-  Track record of winning new business (non-recurrent monies)
-  Regular tender bid pipeline reports to FBIC/Directors' meetings
-  Refreshed Commercial Strategy expected in September
-  Internal capacity at service/clinical level to support and prioritise tender opportunities

Strategic Aim : Secure Funding for new or expanded services

Strategic Risk 3.3 : If we cannot develop a compelling vision then we may fail to secure investment to re-design community and inpatient services and to improve parity of esteem

Lead Director : Nicola Lees, Deputy Chief Executive

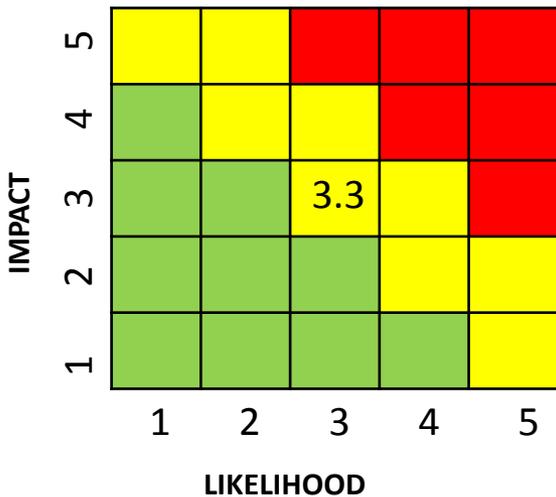
Key Update/Mitigation since last report : The Trust is actively involved in a number of pathways aimed at articulating a new vision of structured collaboration for MH and community services including: diabetes, complex care, CMHTs and the inpatient acute care pathway.

Risk Movement

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Risk Position



-  Executive input into the Joint Commissioning Board for forthcoming MH strategy
-  F2E workshop to develop local 5YFV for MH services
-  Refreshed Commercial Strategy expected in September
-  Whole system financial pressures may mean net new investment is unaffordable

Recommendations

That the 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.