

**BOARD MEETING**

**28 April 2016**

Paper Title:	2016/17 Board Assurance Framework
Section:	Public
Lead Director:	Paul Hogg, Trust Secretary
Paper Author:	Paul Hogg, Trust Secretary
Agenda Item:	<b>13</b>
Presented For:	Discussion

**1. Purpose of this Report**

This report presents the revised risks within the 2016/17 Board Assurance Framework (BAF) for formal approval following the Board discussions at its development session which agreed the revised Vision, Strategic Aims and risks to achieving the principle objectives set out in the Annual Plan for 2016/17. It also proposes allocations to Board Committees and a recommendation that the new BAF document is re-formatted following the Forward to Excellence meeting on 12 May 2016.

**2. Financial Implications**

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

**3. Legal Implications**

There are no known legal implications arising from this report.

**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 type="checkbox"/>	Chair of Committees' Meeting	<input type="checkbox"/>	MH Legislation Committee	<input type="checkbox"/>

**6. Risk Issues Identified for Discussion**

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

**7. 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.			

## 8. Publication Under Freedom of Information Act

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

## 9. Recommendations

That the Board:

- approves the revised strategic risks within the BAF for 2016/17;
- consider the allocations of the BAF to Board Committees, aligned six-monthly with any CRR elements;
- advise on the oversight of the BAF through the Audit Committee; and
- comment on the approach to using a slide deck presentation including the illustrative example at Appendix B.

## Board Assurance Framework

### Background

1. The Board Assurance Framework (BAF) provides a structure and process that enables the Board to focus on the risks that might compromise achieving its strategic aims.

2. Over the course of the last few months, the Board has discussed through its Board development sessions the production of the 2016/17 Annual Plan. Part of this work included reflection on the Trust's Vision, Strategic Aims and risks that should be included in the revised BAF. At the February Board development session Board members were invited to comment on the final draft elements of the BAF and those comments that were received have been incorporated into the final version set out below.

3. The BAF is a live document that should be more about the Board's thinking, rather than thinking about the process. At future Board meetings it is proposed that the Board is asked to discuss and consider issues that may present or mitigate risks to the Trust's strategic aims focussing on gaps in control and assurance and negative assurances.

### Proposal

4. The Board identified three revised Strategic Aims within the 2016/17 Annual Plan, building on the previous year, which were approved at the private part of the March Board meeting. These are:

- **Consolidation of Market Share: being great in our patch** – with a focus on the retention of current BDCFT contracts that provide high quality, efficient, productive, adequately resourced services;
- **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** – through a proactive 'whole system' collaboration and leadership to develop sustainable health and care services; and
- **Secure Funding for new or expanded services** – by delivering innovative value for money services to secure new contracts that build on core service strengths and expertise.

5. To deliver these strategic aims, the Board identified nine corporate objectives and two medium term enabling objectives, which are set out in Appendix A. The Board identified 12 principle risks to the longer term delivery of the strategic aims, as described in the table below.

Strategic Aim: Consolidation of Market Share: being great in our patch	Allocated Board Committee
<ul style="list-style-type: none"> <li>• If demand for services exceeds capacity then service quality, safety and performance could deteriorate.</li> </ul>	Quality and Safety Committee
<ul style="list-style-type: none"> <li>• If services are not transformed effectively and on time then planned improvements to quality or finances could be lost.</li> </ul>	Quality and Safety Committee
<ul style="list-style-type: none"> <li>• If Public Sector finances tighten then our financial position could deteriorate.</li> </ul>	Finance, Business and Investment Committee
<ul style="list-style-type: none"> <li>• If regulatory standards or local expectations for excellent</li> </ul>	Finance, Business

services are not met then we may experience intervention or damage to our reputation and relationships.	and Investment Committee
<ul style="list-style-type: none"> <li>If productivity, efficiency and value for money are not improved then we may gradually lose contracts to more competitive providers and could become unviable.</li> </ul>	Finance, Business and Investment Committee
<ul style="list-style-type: none"> <li>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.</li> </ul>	Finance, Business and Investment Committee
<b>Strategic Aim: 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</b>	<b>Allocated to Board Committee</b>
<ul style="list-style-type: none"> <li>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.</li> </ul>	Finance, Business and Investment Committee
<ul style="list-style-type: none"> <li>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 resources</li> </ul>	Quality and Safety Committee
<ul style="list-style-type: none"> <li>If we and West Yorkshire Vanguard partners fail to deliver at scale and pace then we will not secure associated funding, expected efficiencies or service improvements</li> </ul>	Quality and Safety Committee
<b>Strategic Aim: Secure Funding for new or expanded services</b>	<b>Allocated to Board Committee</b>
<ul style="list-style-type: none"> <li>If we do not secure contracts for new or expanded services then there may be insufficient income to cover our fixed overhead costs.</li> </ul>	Finance, Business and Investment Committee
<ul style="list-style-type: none"> <li>If we do not provide innovative, responsive and commercial services then we may be unsuccessful in securing necessary contract growth.</li> </ul>	Quality and Safety Committee
<ul style="list-style-type: none"> <li>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.</li> </ul>	Finance, Business and Investment Committee

6. It is proposed that each element of the revised BAF is allocated to a Board Committee and, like the Corporate Risk Register (CRR), will be reviewed every 6 months to provide assurance to the Trust Board. Suggested allocations have been included in the paper. The Trust Board is invited to consider these allocations or, given the reliance on the Finance, Business and Investment Committee, to identify whether any area should be presented to another Committee or direct to the Trust Board itself. Furthermore, a template is planned so Board Committees can consider the CRR and BAF elements together under one agenda item.

8. A Forward to Excellence workshop is planned for 12 May 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 we need to take to mitigate them, and provide evidence that will be used in the BAF process. It is proposed that the presentation of the BAF will build on this discussion and on the previous Forward to Excellence session on risk appetite. It is proposed that each element of the BAF would be presented through a slide deck with an illustrative mock-up provided at Appendix B.

## **Monitoring and review**

9. It is proposed that:

- the BAF will continue to be submitted to the Board on a quarterly basis, but in a newly formatted report – aligned to the quarterly Monitor return (i.e. April, July, October and January Board meetings);
- Board Committees would consider their allocated risks twice a year alongside any CRR elements; and
- the Board should provide a view on how often the BAF should be submitted to the Audit Committee for review.

## **Recommendations**

11. That Trust Board:

- approves the revised strategic risks within the BAF for 2016/17;
- consider the allocations of the BAF to Board Committees, aligned six-monthly with any CRR elements;
- advise on the oversight of the BAF through the Audit Committee; and
- comment on the approach to using a slide deck presentation including the illustrative example at Appendix B.

## Corporate Objectives for 2016/17

<b>Strategic Aim: Consolidation of Market Share: being great in our patch</b>
<ul style="list-style-type: none"> <li>• Achieve national access and waiting time standards</li> </ul>
<ul style="list-style-type: none"> <li>• Work with Commissioners so that more people can access appropriate services locally</li> </ul>
<ul style="list-style-type: none"> <li>• Manage Trust resources to improve cost efficiency and productivity and deliver the planned financial position</li> </ul>
<b>Strategic Aim: 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</b>
<ul style="list-style-type: none"> <li>• Collaborate with West Yorkshire partners to develop best practice services for people in crisis who require urgent access to Mental Health Services</li> </ul>
<ul style="list-style-type: none"> <li>• Develop sustainable plans for local health services stimulating provider collaboration to reduce hospital admissions and provide more cost effective care closer to home</li> </ul>
<ul style="list-style-type: none"> <li>• Manage the impacts of social care funding pressures and changes in local nursing and residential home sector provision</li> </ul>
<b>Strategic Aim: Secure Funding for new or expanded services</b>
<ul style="list-style-type: none"> <li>• Secure a share of the nationally mandated increase in Mental Health funding</li> </ul>
<ul style="list-style-type: none"> <li>• Innovate to expand the range of services that is provided locally</li> </ul>
<ul style="list-style-type: none"> <li>• Market the Trust's reputation for delivering high quality, award winning services to secure new service contracts</li> </ul>
<b>Enabling objectives</b>
<ul style="list-style-type: none"> <li>• Exploit digital technologies to transform care and stakeholder engagement locally</li> </ul>
<ul style="list-style-type: none"> <li>• Support a skilled, motivated and engaged workforce drawn from diverse backgrounds to continuously improve and develop</li> </ul>

## Example of BAF element (illustrative purposes only)

## Appendix B

<b>Strategic aim</b>	: Consolidation of Market Share : being great in our patch	
<b>Strategic Risk 1.1</b>	: If demand for services exceeds capacity, then service, quality, safety and performance could deteriorate	
<b>Lead Director</b>	: Nicola Lees	
<b>Key updates / mitigation Since last report</b>	: Performance dashboard at FBIC (31.03.16) provided positive report of contract	●
	Integrated performance report to board (31.03.16) including Change Programme Board indicators provide assurance on capacity within service received	●
	CCG provision of recurred funding to support xxx service received	●
	Uncertainty around impact of welfare reform on trust services	●
	Agreement of local and West Yorkshire STP's yet to be approved by Trust Board	●

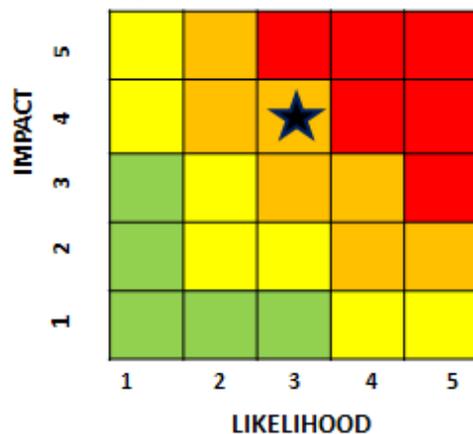
### Risk Movement

Description of:



- (a) Movement of Risk or  
(b) Commentary on why it has remained the same

### Risk Position



Narrative to provide further context to risk approved by lead Director.  
Any recommendation for Board/Committees to consider

● Current Positive assurances    ⊕ Current positive control measures    ● Gaps in control    ● Gaps in assurance