

PUBLIC BOARD MEETING

25 April 2019

Paper Title:	Board Assurance Framework 2018/19
Lead Director:	Paul Hogg, Director of Corporate Affairs
Paper Author:	Paul Hogg, Director of Corporate Affairs
Agenda Item:	9
Presented For:	Assurance
Paper Category:	Governance & Compliance

Executive Summary:

This paper presents the close down position of the BAF for 2018/19, following discussions at Audit Committee and Trust Board throughout the year. A revised format for the 2019/20 BAF will be presented to the Board in Quarter 1 and subsequently to Audit Committee following the Board workshop held on 26 March 2019. BAF risks will also be allocated to, and presented at, the relevant Board Committees.

Recommendations:

That the Audit Committee:

- Consider the controls and assurances in place, the gaps in controls and the actions identified in mitigation; and
- Note that a summary of the BAF position will feature in the 2018/19 Annual Governance Statement.

Governance/Audit Trail (in part):

Meetings where this item has previously been discussed (please mark with an X):					
Audit Committee	x	Quality & Safety Committee		Remuneration Committee	Finance, Business & Investment Committee
Executive Management Team	x	Directors		Chair of Committee Meetings	Mental Health Legislation Committee
Council of Governors					

This report supports the achievement of the following strategic aims of the Trust: <i>(please mark those that apply with an X):</i>	
Quality & Workforce: to provide high quality, evidence-based services delivered by a diverse, motivated and engaged workforce	x
Integration & Partnerships: to be influential in the development of new models of care locally and more widely across the West Yorkshire and Harrogate STP	x
Sustainability and Growth: to maintain our financial viability whilst actively seeking appropriate new business opportunities	x

This report supports the achievement of the following Regulatory Requirements: <i>(please mark those that apply with an X):</i>	
Well Led: The leadership, management and governance of the organisation make sure it's providing high-quality care that is based around individual needs, encourages learning and innovation, and promotes an open and fair culture.	x

Board Assurance Framework (BAF) 2018/19

1. Background and further assurance

This paper closes down the 2018/19 BAF and was presented to Audit Committee on 15 April 2019. The Audit Committee's main comment was around Risk 1964: If regulatory standards are not met then we may experience intervention from regulators or damage to our reputation and noted the joint meeting of the Quality and Safety Committee and Mental Health Legislation Committee scheduled for 23 April to discuss this in more detail.

The external review against the well-led framework by Deloitte recommended that the Trust should 'take steps to improve both the format of the BAF and its use in practice. This should include for example, greater use of the BAF at the Committee level both to oversee actions being undertaken, and to ensure that the BAF remains a live document which helps to drive the focus of debate'. The action plan responding to the Deloitte report was approved at the February Board meeting and Committee reports on BAF items will now appear on Committee agendas in Quarter 1.

The Board and senior staff attended a workshop on 26 March to discuss managing strategic risk and received presentations from Lancashire Care Foundation Trust and Audit Yorkshire around presentation and management of the BAF and risk appetite. The outputs of the workshop will be used to present the 2019/20 BAF to the Trust Board. The Board is holding a development session about the reporting format of the new BAF, CRR and Integrated Performance Report on the morning of 25 April to further inform this well-led action.

2. Overview of risks on the BAF

There are 15 live risks currently on the BAF (allocated a risk number on Safeguard) linked to the three strategic objectives. The following changes have been made to the BAF during 2018/19:

- Since April 2018 risk 1965 has been archived (this was a duplicate risk of 1980 and was archived on 9 July 2018).
- The risk score for risk 1976 increased in April 2018 (from 12 to 16), but was reduced in August 2018 (from 16 to 12) before being increased again in October 2018 (from 12 to 16).
- The risk score for risk 1986 increased in October 2018 (from 16 to 20).
- The lead Director for risk 1974 changed in June 2018 from the Director of Operations and Nursing to the Director of Corporate Affairs.
- The lead Director for risk 1978 changed in June 2018 from the Chief Executive at the time to the Interim Chief Executive and then back to the new Chief Executive in October 2018.
- The lead Director for risk 1979 changed in June 2018 from the Chief Executive at the time to the Interim Chief Executive and then to the Director of Medical in October 2018.

No new risks have been added during 2018/19. Current risks are displayed below.

On 15 April, Lead Directors reviewed risks 1964 and 1973, increasing both scores to 20.

(a) Quality and Workforce:

- Risk 1964: If demand exceeds capacity then service quality, safety and performance could deteriorate;
- Risk 1973: If regulatory standards are not met then we may experience intervention from regulators or damage to our reputation;
- Risk 1974: If we do not provide a positive service user/carer experience then we may not be responsive to local communities or commissioners' needs;
- Risk 1975: If we fail to recruit and retain a diverse workforce then the quality of our services may deteriorate and our agency costs increase;
- Risk 1976: If we do not develop an engaged and motivated workforce then the quality of our services may deteriorate; and
- Risk 1977: If we fail to develop an innovative learning culture with staff then we may not exploit new opportunities that emerge.

(b) Integration and Partnerships

- Risk 1978: If partners (including BDCFT) fail to deliver a robust and sustainable West Yorkshire and Harrogate Health Care Partnership then there will not be the system-wide changes needed to meet the 'triple aim';
- Risk 1979: If partners (including BDCFT) fail to deliver a robust and sustainable Bradford Health and Care Partnership then there will not be the system-wide changes needed to meet the 'triple aim';
- Risk 1980: If partners (including BDCFT) fail to develop a robust and sustainable Airedale, Wharfedale and Craven Health and Care Partnership then there will not be the system-wide changes needed to meet the 'triple aim'.

(c) Sustainability and Growth

- Risk 1981: If we are unable to facilitate a dynamic culture of innovation then we are unlikely to meet future quality and financial challenges which threaten our performance and sustainability in the market place;
- Risk 1982: If we do not have a clear and viable vision for business growth we will not be able to respond confidently and creatively to opportunities to grow and develop our services;
- Risk 1983: If we do not create resilience and invest capacity within the organisation to support transformation and transition we will stifle innovation, create disengagement and not achieve our vision for sustainability and growth;
- Risk 1984: If public sector finances tighten then our financial position could deteriorate;
- Risk 1985: If productivity and VfM are not improved then we may gradually lose contracts to more competitive providers and become unviable; and
- Risk 1986: If commissioners reduce the value of contracts then we may not be able to cover fixed costs with adverse consequences to our financial viability.

3. Monitoring and review

The Audit Committee will continue to receive an update on the BAF at each meeting, the Board will discuss the BAF quarterly at public Board meetings and BAF risks will be allocated to appropriate Committees during Quarter 1.