

Board of Directors – Meeting in Public

11 May 2023

Paper title:	Board Assurance Framework & Supporting Organisational Risk Report Update	Agenda Item 10.0
Presented by:	Phillipa Hubbard, Director of Nursing, Professions and Care Standards, Deputy Chief Executive, DIPC	
Prepared by:	Rachel Howitt, Head of Patient Safety, Compliance and Risk	
Committees where content has been discussed previously	n/a	
Purpose of the paper Please check ONE box only:	<input type="checkbox"/> For approval <input type="checkbox"/> For information <input checked="" type="checkbox"/> For discussion	
Link to Trust Strategic Vision Please check ALL that apply	<input checked="" type="checkbox"/> Providing excellent quality services and seamless access <input checked="" type="checkbox"/> Creating the best place to work <input checked="" type="checkbox"/> Supporting people to live to their fullest potential <input checked="" type="checkbox"/> Financial sustainability, growth and innovation <input checked="" type="checkbox"/> Governance and well-led	
Care Quality Commission domains Please check ALL that apply	<input checked="" type="checkbox"/> Safe <input checked="" type="checkbox"/> Caring <input checked="" type="checkbox"/> Effective <input checked="" type="checkbox"/> Well-Led <input checked="" type="checkbox"/> Responsive	

Purpose of the report

The purpose of this cover paper is to provide an overview of changes and updates to the 2022/23 strategic objectives (SO) and associated risks currently held on the Board Assurance Framework (BAF). The full BAF is also provided along with the Organisational High Risk Report.

Executive Summary

The Lead Executive for each strategic objective and any additional in-year ambitions reviews their specific objective(s), ambition(s) and the associated risk(s) and updates the controls and assurances associated with those risks on a monthly basis. Any organisational high risks linked to the BAF strategic objectives are also identified in the BAF summary with relevant narrative where a risk has changed or been archived for the relevant committee to view.

There is one Strategic Objectives aligned to the Trust Board for oversight which is SO4: “Collaborating to drive innovation and transformation, enabling us to deliver against local and national ambitions”.

It is the responsibility of the Lead Executive for each Committee to present the progress towards achievement of each strategic objective to the relevant Committee, and therefore SO4 will be presented in the Private Board meeting by the Director of Integration and Transformation.

Main points to note:

- This month’s reviews focused on:
 - ~ Evaluation of risk controls and assurance against each objective and ambition
 - ~ Progression against actions identified
- There are two changes to overall risk scores for Board to be aware of this month (approved at QSC 20/4/23):
 - ~ SO1(1.3) - reduced from 3-4(12) to 3-2(6):
 - ~ SO3(3.1) - reduced from 4-3(12) to 3-3(9):
- A full review of SO2 will take place in Q1 to ensure closer alignment to the pillars of the NHS People Plan and current BDCFT strategy refresh. This will enable an opportunity to revisit the risks and controls and build on the existing evidence base. The refreshed SO2 will be presented to July 2023 Board for ratification, with the provision that it gains approval at the subsequent Workforce and Equality Committee (WEC) in the same month.
- There have been two new high risk added to the Organisational High Risk Report (OHRR) since the last report:
 - ~ 2700: SMABS assessment waiting lists
 - ~ 2703: Service users being admitted to IHTT case load due to no hospital beds available

The OHRR is received by each committee based on the high risks directly related to the individual committee’s work and the full OHRR is scrutinised at the Compliance and Risk Group bi-monthly.

Any organisational high risks linked to the BAF strategic objectives will continue to be identified in the BAF summary with relevant narrative where a risk has changed or been archived.

Do the recommendations in this paper have any impact upon the requirements of the protected groups identified by the Equality Act?

- Yes** (please set out in your paper what action has been taken to address this)
- No**

Recommendation(s)
<p>The Board of Directors is asked to:</p> <ul style="list-style-type: none"> • Note the progress made against the Strategic Objectives • Note the mitigations and controls in place to manage the risks associated with the Strategic Objectives described within the BAF • Support the review of SO2 where indicated for improvement to the 2023/2024 BAF • Note the BAF internal audit outcome and response

Relationship to the Board Assurance Framework (BAF)	
<p>The work contained with this report links to the following strategic risks as identified in the BAF:</p> <ul style="list-style-type: none"> ☒ SO1: Engaging with our patients, service users and wider community to ensure they are equal partners in care delivery (QSC) ☒ SO2: Prioritising our people, ensuring they have the tools, skills and right environment to be effective leaders with a culture that is open, compassionate, improvement-focused and inclusive culture (WEC) ☒ SO3: Maximising the potential of services to delivery outstanding care to our communities (QSC) ☒ SO4: Collaborating to drive innovation and transformation, enabling us to deliver against local and national ambitions (Board) ☒ SO5: To make effective use of our resources to ensure services are environmentally and financially sustainable and resilient (FBIC) ☒ SO6: To make progress in implementing our digital strategy to support our ambition to become a digital leader in the NHS (FBIC) 	
Links to the Strategic Organisational Risk register (SORR)	<p>The work contained with this report links to the following corporate risks as identified in the SORR:</p> <ul style="list-style-type: none"> • All
Compliance & regulatory implications	<p>The following compliance and regulatory implications have been identified as a result of the work outlined in this report:</p> <ul style="list-style-type: none"> • N/A

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Board Assurance Framework - update

1 Purpose

The purpose of this report is to provide an update on the progress of implementing the BAF process and update the Board on any changes to the level of risk associated with delivery of the strategic objectives described within the BAF.

2 Background

In April 2022 the Board undertook a development session to review the in-year strategic objectives aligned to better lives, together. The existing 6 objectives were scrutinised and an assessment made as to whether they had been achieved, needed to be carried over or needed updating to reflect the changes in the strategic environment of the Trust. As the same time the structure and sensitivity of the Board Assurance Framework (BAF) document was assessed and it was agreed that, in order to increase the sensitivity in terms of monitoring risks, where relevant and necessary the objective would be sub-divided into in year ambitions to enable specific risks against these elements to be monitored independently.

The main structure of the BAF aligned to each risk has not changed substantially, although the presentation has been updated to reflect the new sub-division of the strategic objectives.

The process to support the completion of the BAF to enable effective scrutiny and challenge by Committees and, ultimately, the Board of Directors remains unchanged.

Appendix 1 contains the BAF as it stands at end of March 2023.

Appendix 2 contains the associated Organisation High Risk report for April 2023.

3 Update of progress in implementing the revised BAF process

The process of updating the BAF and how this is then used in Board and Committees is described below. A recommendation from the Internal Audit of the Board assurance to have a formal Standard Operating Procedure relating to the BAF has been in place since July 2021.

Process

Each lead Executive Director has in place monthly meetings (at the end of the month) with the Head of Patient Safety, Compliance and Risk. The purpose of these meetings is to review the

Strategic Objectives, and/or where they have responsibility for additional in year ambitions related to strategic objectives led by other Directors, contained within the BAF and update any progress in mitigating the associated risks. This is on the basis of work / progress in month,

what the data is telling us and also after due consideration of the wider organisational risks supported by the work of the Compliance and Risk Group.

Once the BAF is updated at the start of the month, this is then received by any Committees within that month who will provide oversight of the management of the risks associated with the Strategic Objectives they have allocated to them. Whilst objectives are likely to be impacted by the work of multiple Committees, it was agreed that allocating a lead Committee with primary oversight ensured that duplication was kept to a minimum.

The Strategic Objective 04, related to 'Collaborating to drive innovation and transformation, enabling us to deliver against local and national ambitions' does not sit within a subcommittee and will be presented to and discussed at the private Board meeting by the Director of Integration and Transformation.

Some of the monthly update meetings have been merged where a Strategic Objective crosses portfolios, to allow collaborative input with other Directors in order to strengthen the update process.

All Committees will continue to receive the BAF summary each month, and Committees with an assigned lead for a specific Strategic Objectives will also receive the detailed BAF report for those objectives.

It is the responsibility of the Lead Executive Director for each Strategic Objective to ensure that, should it be appropriate and necessary, the detail of the mitigation of associated BAF risks are shared at Committees other than the lead Committee.

The Board will receive the full BAF, plus the full Organisation High Risk Report (OHRR) at each Public Board meeting to allow it to receive assurance as to the delivery of the Trust's Strategic Objectives.

In order to strengthen the link between the BAF and the operational risk register, work has been undertaken by the risk team to align the five Strategic Risk Areas (Quality, Reputation, Regulatory, Financial, People) agreed by the Board to determine Risk Appetite, with the eight Risk Impact Categories, used to guide risk owners in determining the scoring of individual risks on the basis of the impact they would have.

As would be expected, the impact of individual risks can be manifold, spanning a number of Strategic Risk Areas. As there are individual Risk Impact Categories dealing with reputation, regulatory and financial impacts, it has been agreed that those impacts which cover multiple areas should be aligned to the Quality Strategic Risk Area.

From February 2022, in agreement with all Committee Chairs and lead Executives, the OHRR will be separated out, so committees receive just the high risks directly related to the individual committee's work. This means the following will be received:

Meeting	BAF	Strategic Objectives	Organisational High Risk Report (Strategic Area)
Public Board	Full	All	Full
Private Board	Full	All – Lead for SO4	Full
Audit Committee	Summary	-	-
Mental Health Legislation Committee	Summary	-	-
Finance, Business and Investment Committee	Summary	SO5, SO6	Financial
Workforce and Equality Committee	Summary	SO2	People
Quality and Safety Committee	Summary	SO1, SO3	Quality, Regulatory, Reputation, People

Reflecting on the changes to the Executive and Non-Executive leadership team, it was agreed to delay reviewing the Board's risk appetite and its approach to risk tolerance until September 2022 when recruitment processes have been completed. This work is now in progress and in the meantime the current risk appetites for relevant areas will be used.

The Compliance and Risk Group continues to scrutinise the whole of the organisational high risk register every other month.

4 Update on the content of the BAF

The Strategic Objectives were reviewed and updated by the Executive Leads at the end of March 2023. Since the last Board report (in January) the following committees received the respective BAF reports:

- Quality & Safety Committee: 16 March 2023, 20 April 2023
- Finance, Business, Investment Committee: 23 March 2023
- Mental Health Legislation Committee: 23 March 2023
- Workforce & Equality Committee: 27 March 2023
- Audit Committee: 6 April 2023

To note: the BAF was updated at the end of March and is currently undergoing April's end of month update, however could not be finalised ready for May Board due to the timing of the meeting.

The risk scoring has also been reviewed against all new in year ambitions and is relative to the progress made with addressing the gaps in control contained within each risk area. As these are progressed, they move from the 'gaps' area to being a 'control' in place to manage the risk.

During April the focus of the strategic objective reviews was to further populate and articulate the risk controls and assurance against each objective and ambition and identify the progress against identified actions.

There have been two changes to overall risk scores since the last report. These were presented and approved at QSC on 20/4/23:

- **SO1(1.3) - reduced from 3-4(12) to 3-2(6):**
 The volunteer service is now staffed beyond the aspiration set out in the volunteer strategy, with new funding being identified from various services including Children’s and Community Mental health for new volunteer coordinators, along with securing further funding for the Volunteer to Career Clinical Lead. In addition, that is now a reduction in the impact of COVID restrictions, and a significant increase in applications to volunteer. There are no longer any significant risk or restrictions in the delivery of the volunteer strategy, and it is anticipated that the KPIs and deliverables set in the strategy will be exceeded. The risk score will decrease further (to target) once further work has been undertaken on developing metrics associated with new roles and development pathways.
- **SO3(3.1) - reduced from 4-3(12) to 3-3(9):**
 Progress made against actions demonstrating strong Quality Assurance systems and processes embedded in organisation, including internal process to assess against well-led quality criteria.

In addition there is one proposed change to the wording of a Strategic Objective (SO2)

- **SO2 – to be reworded to reflect Trust strategy refresh:**
“Prioritising our people, ensuring they have the tools, skills and right environment; to be effective in their work and are recruited, developed, led and retained within a culture that is open, compassionate, improvement-focused and inclusive.” Aligned to the refreshed Strategic Aim - **Best place to work** - Where our people feel they belong & are valued.

The four “In year ambitions” will also be revised to reflect the four pillars of the NHS People Plan as follows:

- ~ 2.1 Looking after our people (Pillar 1) – To include health and wellbeing, recognition and reward and colleague retention.
- ~ 2.2 Belonging & inclusion and compassionate leadership (Pillar 2) – to include management and leadership development, staff networks and ensuring that colleagues have a voice that counts.
- ~ 2.3 Growing our workforce (Pillar 3) – recruitment and staff development, including talent management, career management and succession planning.
- ~ 2.4 New ways of working and delivering care (Pillar 4) – to include best use of resources, digital leadership, skill mix, service transformation through people and sharing best practice.

Throughout Q1, the risks, controls, gaps, assurance and evidence will be assessed and refreshed within the BAF document framework and SMART objectives and actions proposed for consideration.

As well as scrutiny through the WEC, activity against actions will be monitored on a monthly basis through the newly refreshed SLT mechanism.

5 BAF Internal Audit

An internal audit of the Board Assurance Framework tool place in Q4 (ref: 14/2023) and the published report on 28 March 2023 gave an overall opinion of significant assurance. One recommendation was made requiring response in relation to the BAF actions within each SO not having a specific target date. This has been addressed and a new template created which incorporates target date and completion date for each action element. The current refresh of the BAF as at end of April is using this new template and will be presented to Board at the next meeting.

6 Recommendations

The Board of Directors is asked to:

- Note the progress made against the Strategic Objectives
- Note the mitigations and controls in place to manage the risks associated with the Strategic Objectives described within the BAF
- Support the review of SO2 where indicated for improvement to the 2023/2024 BAF
- Note the BAF internal audit outcome and response

Rachel Howitt, Head of Patient Safety, Compliance and Risk

26 April 2023