

Board Assurance Framework (BAF) 2022-23 - June 2022

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| Meeting | Board of Directors | | |
| Date | 15/06/2022 | Agenda item | |
| Lead Director | Alison Hughes, Director of Corporate Affairs | | |
| Author(s) | Karen Lees, Head of Corporate Governance | | |
| Action required (please tick the appropriate box) | | | |
| To Approve <input checked="" type="checkbox"/> | To Discuss <input type="checkbox"/> | To Assure <input type="checkbox"/> | |
| Purpose | | | |
| <p>The purpose of this paper is to;</p> <ul style="list-style-type: none"> - receive and approve recommendations from the committees of the Board on the proposed strategic risks for tracking through the Board Assurance Framework during 2022-23 - approve the strategic risk structure template | | | |
| Executive Summary | | | |
| <p>The Board has in place a full Board Assurance Framework which reflects the priority areas of focus in each of the committees of the Board and is driving discussion and appropriate escalation to the Board of Directors.</p> <p>Following presentation of the 2021-22 year-end position at the Board of Directors in April 2022, the members of the board have considered existing and new risk themes for the BAF to be tracked during 2022-23.</p> <p>This included an informal board session in May 2022 and a subsequent review by the Executive Team.</p> <p>The attached appendix proposes strategic risks aligned to the Trust's 5-year strategy, approved in April 2022. These strategic risks have been discussed by the committees of the board in order to agree the recommendation presented.</p> | | | |
| Summary of changes | | | |
| <i>Strategic risks aligned to the Finance & Performance Committee (discussed on 1 June 2022)</i> | | | |
| <ul style="list-style-type: none"> - The previous risk (ID04) describing relationships across the Provider Collaboratives has been amended and expanded to reflect the establishment of governance arrangements and the constitution for Provider Collaboratives. This reflects the emerging position with the ICS formally establishing in July 2022. - The previous risk on financial sustainability (ID05) has been amended to reflect the current position for the Trust. - The previous risk on cyber security (ID06) has been archived recognising the management of associated risks on the operational risk register and the robust governance arrangements in place to support Information Governance and Data Security across the Trust. - Two new risks have been proposed which reflect system regulation and system performance monitoring. These risks recognise, respectively, the potential impact on the Trust if system (Place) performance is challenged and the potential impact on the system (Place) if Trust performance is challenged. | | | |

Strategic risks aligned to the Education & Workforce Committee (discussed on 8 June 2022)

- The previous risk (ID07) reflecting on workforce wellbeing and morale due to the long-term impact of the pandemic has been expanded to reflect employee experience as a key ambition in the People Strategy
- The previous risk on Inclusion intentions (ID08) has been slightly amended to reflect the language of the People Strategy but remains largely unchanged
- The previous risk on optimum workforce levels has been amended to explicitly reference Safe Staffing and the impact on the delivery of safe services, staff morale and regulatory compliance

Strategic risks aligned to the Quality & Safety Committee (the committee will meet in July 2022, but proposals align to recent discussions and have been shared with the Chair)

- The previous risk (ID01) on the restoration of services has been revised to consider the delivery of safe and inclusive services recognising health inequalities
- The previous risk (ID02) has been enhanced to include the patient voice
- The risk previously tracked on regulatory compliance (ID03) has been archived recognising this as a key mitigation to a number of risks, predominantly Safe Staffing and the delivery of safe services inclusively

The above changes result in a recommendation of 9 strategic risks to be tracked through the BAF this year.

Through formal and informal meetings, the Board of Directors will continue to discuss the Board Assurance Framework including the identification of any new or emerging risks particularly in the context of legislative changes and arrangements at Place level.

The structure of the BAF was reviewed as part of the annual Assurance Framework Review (in March 2022) and was confirmed as meeting the requirements of the NHS. Two further developments were recommended, and these have been referenced in the attached strategic risk template at appendix 2. These include ensuring any identified gaps have a responsible lead and a link to a relevant action plan.

Risks and opportunities:

The BAF records the principal risks that could impact on the Trust's ability in achieving its strategic objectives. Therefore, failure to correctly develop and maintain the BAF could lead to the Trust not being able to achieve its strategic objectives or its statutory obligations.

There are opportunities through the effective development and use of the BAF, to enhance the delivery of the Trust's strategic objectives and effectively mitigate the impact of the principal risks contained within the BAF.

Quality/inclusion considerations:

Quality Impact Assessment completed and attached No
Equality Impact Assessment completed and attached No
The quality impact assessments and equality impact assessments are undertaken through the work streams that underpin the BAF.

Financial/resource implications:

Any financial or resources implications are detailed in the BAF for each risk.

Trust Strategic Objectives

Please select the top three Trust Strategic Objectives that this report relates to, from the drop-down boxes below.

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| <input type="checkbox"/> Our Populations - outstanding, safe care every time | <input type="checkbox"/> Our People - enhancing staff development | <input type="checkbox"/> Our Performance - increase efficiency of all services |
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Board of Directors is asked to consider the following action

- To receive and approve recommendations from the committees of the Board on the proposed strategic risks for tracking through the Board Assurance Framework during 2022-23
- approve the strategic risk structure template

| Report history | | |
|--------------------|----------|--|
| Submitted to | Date | Brief summary of outcome |
| Board of Directors | 09/06/21 | <p>The Board of Directors</p> <ul style="list-style-type: none"> - was assured of the review and focus on principal risks at the committees of the Board - received the summary of risk themes for 2021-22 as determined by the committees - was assured of the process to finalise these through the committees and the Informal Board session in July 2021 |
| Informal Board | 07/07/21 | All members of the Board participated in a series of workshops to define risk descriptions, discuss risk ratings, risk appetite and mitigations, outcomes and gaps for referral back to committees. |
| Board of Directors | 04/08/21 | <p>The Board of Directors received the strategic risks and approved them for tracking through the BAF during 2021-22, with each committee taking appropriate oversight.</p> <p>The Board of Directors agreed to discuss organisational design risk at the next Informal Board (see update in matters arising).</p> |
| Board of Directors | 06/10/21 | The Board of Directors received the update provided in relation to the strategic risks managed through the BAF and noted the current risk rating, mitigations in place and identified gaps. The Board of Directors was assured of the oversight and management of strategic risks through the sub committees of the Board. |
| Informal Board | 03/11/21 | An interim review of the Board Assurance Framework was completed with the Director of Corporate Affairs noting the findings from the phase 1 internal audit Assurance Framework Review. |
| Board of Directors | 08/12/21 | <p>The Board of Directors received the update provided in relation to the strategic risks managed through the BAF and noted the current risk rating, mitigations in place and identified gaps.</p> <p>The Board of Directors approved the revised risk description for ID10 and supported the recommendation from the Education & Workforce Committee to review the workforce strategic risks through an informal board session.</p> |
| Informal Board | 05/01/22 | The informal board session reviewed and agreed revisions to the strategic workforce risks managed through the BAF to be formally reported to EWC in February 2022. |
| Board of Directors | 09/02/22 | The Board of Directors was assured by the oversight and management of |

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| | | strategic risks through the sub-committees of the Board and approved the proposed increase in risk rating for ID01, the revised strategic workforce risks and the increased risk rating for ID10. |
| Board of Directors | 13/04/22 | <p>The Board of Directors received the update provided in relation to the strategic risks, noting the current risk rating, mitigations in place and identified gaps and approved the reduced risk rating for ID04</p> <p>The Board of Directors received the BAF as the year-end position.</p> |
| Informal Board | 11/05/22 | The members of the Board considered the strategic risks for 2022-23 reflecting on the risks tracked through the BAF in 2021-22 and the Trust's 5-year strategy. |

Appendix 2 - Template structure

Strategic risks for 2021-22 with oversight at Finance & Performance Committee

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| [Risk description] | | | Finance & Performance Committee oversight |
| Link to 5-year strategy - [strategic objective] | | | |
| Consequence; • | | | |
| Current risk rating (LxC) | | Risk appetite | Target risk rating (LxC) |
| | | | |
| Mitigations (i.e. processes in place, controls in place) | Gaps (Including an identified lead to address the gap and link to relevant action plan) | Outcomes/Outputs (i.e. proof points that the risk has been mitigated) NOTE: ensuring clear alignment of the outcome to the gap it addresses | Trajectory to mitigate and achieve target risk rating |
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Appendix 1 - Proposed strategic risks for 2022-23

| Committee oversight | Strategic risk from 2021-22 | Proposed strategic risk for 2022-23 | Consequences | Link to 5-year strategy |
|---------------------------------|---|---|---|--|
| Finance & Performance Committee | ID04 The right partnerships are not developed and maintained to support the success of Provider Collaboratives within the place where the Trust operates i.e. Wirral and other (e.g. St Helens, Mid-Cheshire) | The constitution and governance of the Provider Collaborative (member/stakeholder) Board and clarity on the establishment of a Lead Provider for some or all services is not exacted. | <ul style="list-style-type: none"> Non-compliance with Duty to Collaborate Negative reputational impact across ICPs and in wider ICS | Deliver sustainable health and care services |
| | ID05 Future system funding regime negatively impacts on system and Trust financial position and sustainability | The financial settlement requires an unachievable efficiency target creating a risk to the financial sustainability of the organisation | <ul style="list-style-type: none"> Financial sustainability impact Negative reputational impact | Make most efficient use of resources to ensure value for money |
| | ID06 IM&T infrastructure fails to maintain effective cyber defences affecting Trust security and reputation | Poor service delivery and/or financial performance at Place creates a negative impact on the Trust and leads to increased monitoring and regulation | <ul style="list-style-type: none"> Poor service user access, experience and outcomes Poor contract performance - financial implications (system) System regulatory action | Deliver sustainable health and care services |
| | | Trust performance is poor and has an impact on Place performance and future monitoring and regulation | <ul style="list-style-type: none"> Poor service user access, experience and outcomes Poor contract performance - financial implications (Trust) Negative reputational impact | Deliver sustainable health and care services |

| Committee oversight | Strategic risk from 2021-22 | Proposed strategic risk for 2022-23 | Consequences | Link to 5-year strategy |
|---------------------------------|--|--|---|--|
| Education & Workforce Committee | ID07 Our people's health, wellbeing and morale are significantly affected by the long-term impact of the pandemic. | Our people do not feel looked after, their employee experience is poor, and their health and wellbeing is not prioritised | <ul style="list-style-type: none"> • Low staff morale - increase in sickness absence levels and reduced staff engagement • Poor staff survey results • Poor staff retention • Reputation impact leading to poor health and care outcomes • Increase in staff turnover and recruitment challenges | <p>Improve the wellbeing of our employees</p> <p>Better employee experience to attract and retain talent</p> |
| | ID09 The Trust's Inclusion intentions are not delivered; the workforce is not representative of its communities and people are not able to thrive as employees of our Trust | Our People Inclusion intentions are not delivered; people are not able to thrive as employees of our Trust and the workforce is not representative of our population | <ul style="list-style-type: none"> • Poor outcomes for the people working in the Trust • Reduced staff engagement • Failure to meet the requirements of the Equality Act 2010 • Increase in staff turnover and recruitment challenges | <p>Better employee experience to attract and retain talent</p> <p>Improve the wellbeing of our employees</p> |
| | ID10 The optimum workforce level is not achieved resulting in gaps in service provision | Safe Staffing levels are not maintained across the Trust impacting on the safe delivery of services, staff morale and regulatory compliance | <ul style="list-style-type: none"> • Inability to attract and recruit appropriately skilled staff • Poor staff retention • Low staff morale • Reputation impact leading to poor health and care outcomes | Grow, develop and realise potential |
| Quality & Safety Committee | ID01 Failure to restore and evolve community services safely and responsively to reflect the needs of the population as we move out of the pandemic and understand its impact better | Failure to deliver services safely and responsively to meet the needs of the population contributing to the reduction of health inequalities | <ul style="list-style-type: none"> • Poor experience of care resulting in deterioration and poor health and care outcomes • Non-compliance with regulatory standards and conditions | Poor experience of care resulting in deterioration and poor health and care outcomes |

| Committee oversight | Strategic risk from 2021-22 | Proposed strategic risk for 2022-23 | Consequences | Link to 5-year strategy |
|---------------------|---|--|---|---|
| | | | <ul style="list-style-type: none"> • Reputational damage and lack of public confidence | |
| | ID02 Inability to restore NHS services inclusively with the aim of protecting the most vulnerable people in our communities | Failure to deliver services inclusively with people and communities leading care, supporting learning and influencing change | <ul style="list-style-type: none"> • Inequity of access and experience and outcomes for all groups in our community • Poor outcomes due to failure to listen to people accessing services • Reputation impact leading to poor health and care outcomes | Inequity of access and experience and outcomes for all groups in our community resulting in exacerbation of health inequalities |
| | ID03 Non-compliance with statutory, regulatory and professional standards | | | |