

To:	Trust Board
From:	Medical Director
Date:	March 2019

Title:	Board Assurance Framework (BAF) & Corporate Risk Report						
Responsible Director: Dr Neill Hepburn, Medical Director							
Author: Paul White, Risk Manager							
Purpose of the Report:							
The purpose of this report is to enable the Trust Board to: <ul style="list-style-type: none"> • Review the Board Assurance Framework (BAF) • Review the current level of risk exposure as recorded in the Trust's Corporate Risk Register 							
The Report is provided to the Board for:							
<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Decision</td> <td style="width: 50%;"></td> </tr> </table>		Decision		<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Discussion</td> <td style="width: 50%; text-align: center;">✓</td> </tr> </table>		Discussion	✓
Decision							
Discussion	✓						
<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Assurance</td> <td style="width: 50%; text-align: center;">✓</td> </tr> </table>		Assurance	✓	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Information</td> <td style="width: 50%;"></td> </tr> </table>		Information	
Assurance	✓						
Information							
Summary/Key Points:							
<ul style="list-style-type: none"> • The Board Assurance Framework (BAF) is regularly reviewed and updated through the assurance committees of the Trust Board • The most significant corporate risks (all rated Very high risk) currently recorded are: <ul style="list-style-type: none"> ○ Managing emergency demand ○ Delivery of the financial recovery plan ○ Substantial unplanned expenditure or financial penalties ○ Workforce capacity & capability (recruitment, retention & skills) ○ Compliance with fire safety regulations & standards • The current corporate risk profile illustrates the extent to which the achievement of the Trust's objectives are at risk, with 32 out of 62 corporate risks (50%) rated High or Very high 							
Recommendations							
That the Trust Board considers the content of the report and advises if any further action is required to improve the management of risk at this time.							
Strategic Risk Register		Performance KPIs year to date					
Corporate and operational risk registers are aligned with the Board Assurance Framework (BAF) to enable the Trust Board to evaluate the extent to which its strategic objectives are at risk.		Appropriate KPIs for risk management have been incorporated within the revised Risk Management Policy and will be reported regularly to the Audit Committee.					

<p>Assurance Implications</p> <p>This report enables the Trust Board to review the effectiveness of corporate risk management in order to take assurance regarding the effectiveness of current risk mitigation plans and to consider the extent of risk exposure at this time.</p>
<p>Patient and Public Involvement (PPI) Implications</p> <p>The effectiveness of the Trust's risk and corporate governance arrangements is reported through the Annual Governance Statement (AGS) and is included in the opinion of both internal and external audit. As such, it may influence the degree of confidence that patients and members of the public have in the Trust.</p>
<p>Equality Impact</p> <p>The Trust's Risk Management Policy has been assessed for equality impact and no issues were identified.</p>
<p>Information exempt from Disclosure – No</p>
<p>Requirement for further review? No</p>

1. Purpose of the Report

- 1.1 The purpose of this report is to enable the Trust Board to:
- Review the Board Assurance Framework (BAF)
 - Review the current level of risk exposure as recorded in the Trust's Corporate Risk Register

2. Recommendations

- 2.1 That the Trust Board considers the content of the report and advises if any further action is required.

3. Reasons for Recommendations

- 3.1 It is essential that the Trust Board maintains an awareness of the extent of risk exposure within the Trust and has confidence in the effectiveness of the Trust's risk management arrangements.

4. Summary of Key Points

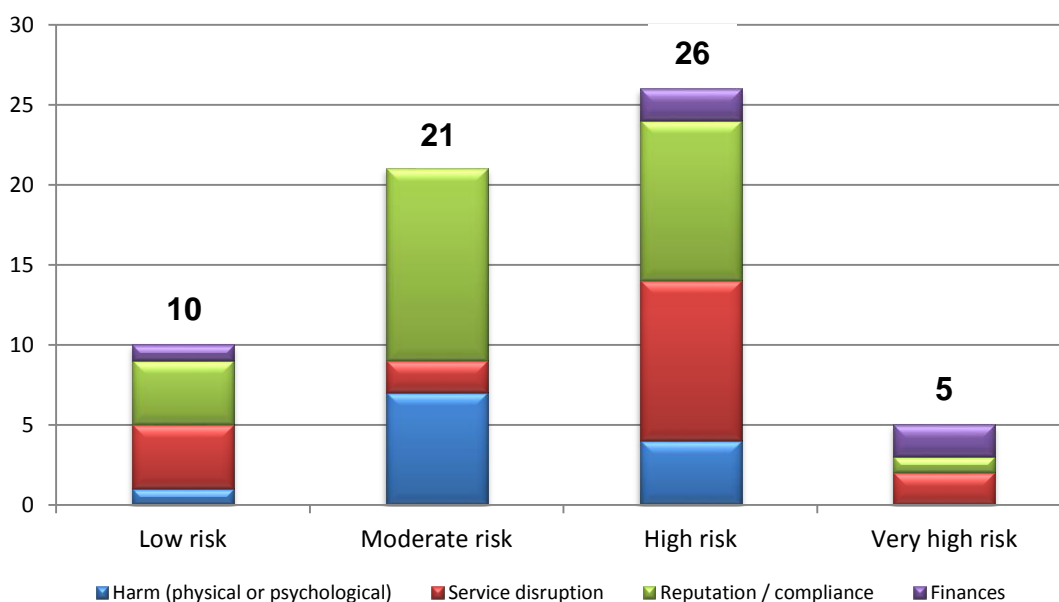
Board Assurance Framework (BAF)

- 4.1 The BAF is an important document that enables the Trust Board to maintain effective oversight of significant risks to its strategic objectives and priorities. Each objective within the BAF is assigned to a lead assurance committee, which reviews evidence and reports from lead executives on performance, issues and risks. This enables the committee to provide an appropriate level of assurance to the Trust Board in relation to the management of risks to each objective in the BAF.

- 4.2 Each assurance committee is invited to review the objectives for which it is the identified lead and, on the basis of details from the corporate risk register and evidence provided by lead executives, determine:
 - a. If there are any assurance gaps that impact on the committee’s ability to evaluate the management of risks to that objective
 - b. Where there are any assurance gaps, what action will be taken to address them
 - c. An appropriate assurance rating to be assigned to each objective
- 4.3 A copy of the current BAF for 2018/19 is attached as **Appendix I** for the consideration of the Trust Board.

Corporate risk register

- 4.4 A corporate risk is defined as a risk that would have consequences for the objectives of more than one division, or for the whole Trust. All standard corporate risks have a Severity rating of 4 and are assigned to the lead executive as responsible manager and a senior operational manager as risk lead. Wherever possible, corporate risks are also assigned to a lead management committee for regular review and oversight as well as upward reporting to the lead assurance committee. All risks on the corporate risk register are recorded on and managed using the Datix system.
- 4.5 The Trust’s corporate risk profile (showing the number of corporate risks by current risk rating and type) is as follows:



- 4.6 With 31 out of 62 (50%) of corporate risks currently rated High or Very high risk, this risk profile illustrates that the Trust continues to be exposed to a substantial amount of risk to the delivery of its corporate objectives. Financial and service disruption risks represent the greatest concern.
- 4.7 The 5 most significant risks at present (all currently rated Very high risk) are:

Risk summary	Risk type	Risk rating (current)	Mitigation plans
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Management of emergency demand – risk of widespread and prolonged disruption to the quality and continuity of clinical services if demand overwhelms operational capacity	Service disruption	20 Very high risk	Delivery of the Trust’s Urgent & Emergency Care Recovery & Transformation programme, with implementation of revised models for LCH; PHB and GDH through detailed project plans addressing site specific processes and Trust-wide themes.
Delivery of the financial recovery plan – risk of failure to achieve planned cost reductions impacting on the Trust’s financial position	Finances	20 Very high risk	Financial Turnaround Group (FTG) to oversee all planned FRP schemes & implement changes to support increased pace of delivery. Although there have been areas of underperformance in M09 (impacting in some areas to the YTD position), FEP delivery is still expected to achieve the £15.1m as forecast within the FRP.
Substantial unplanned expenditure or financial penalties – risk of additional costs impacting on the Trust’s financial position	Finances	20 Very high risk	Financial plan assumptions; People Strategy to reduce reliance on temporary staff.
Workforce capacity & capability (recruitment, retention & skills) – risk to the continuity and potentially the long term sustainability of some services if sufficient staffing levels cannot be achieved and maintained	Service disruption	20 Very high risk	Focus on nursing & medical staff engagement & structuring development pathways; exploration of new staffing models. Workforce planning to mitigate the risk due to age profile and potential impact of retirements.
Compliance with fire safety regulations and standards – risk of regulatory action by Lincolns hire Fire & Rescue Service	Reputation / compliance	20 Very high risk	Fire safety improvement programme, including strategy; training; and extensive remedial works throughout the Trust.

4.8 The fire safety compliance risk has been reviewed by the Fire Safety Group and, despite the progress that continues to be made it was felt that the risk remains Very high.

4.9 A report showing all High and Very High risks (those scoring 12 or more) on the Corporate Risk Register is attached as **Appendix II**.

Emergent risks

4.10 From time to time additional risks will be identified that are not captured within the Trust’s risk framework as they are either project-related or defined by extraordinary circumstances. These will be classified as ‘Emergent risks’ and will be individually assessed and managed in accordance with the Trust’s Risk Management Policy.

4.11 At present the following emergent risks are rated High or Very high risk:

Risk summary	Risk rating (current)	Mitigation plans
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Risk summary	Risk rating (current)	Mitigation plans
Continuity of aseptic pharmacy services (corporate) due to issues with the condition of existing facilities and non-compliance with required standards	20 Very high risk	All aseptic production is now taking place at PHB under Section 10 exemption from the Medicines Act. The Aseptic Capacity Plan produced by the Trust's Aseptic Accountable Pharmacist is now signed off and accepted at Board level (as per QAAPS5). A business case is being developed for a new aseptic unit to comply with national GMP and QAAPS standards to mitigate risks to business continuity. This business case has been considered at CRIB in November 2018 and will be considered again early in 2019.
Impact of a 'no deal' Brexit scenario on the continuity of services	12 High risk	Contingency planning group set up, chaired by Deputy Chief Executive, to oversee local management of contingency plans and review of national arrangements.
Sustainability of Paediatric services at Pilgrim Hospital, Boston	12 High risk	Interim service model in place whilst a long-term model is being developed, working with local partners and stakeholders to ensure sustainability. Detailed project plan and project risk register in place.
Risk of non-delivery of the E-prescribing project	12 High risk	Application to NHSI for funding to be re-submitted early in 2019. Project has yet to commence.

Operational risk registers

- 4.12 Each directorate now has in place comprehensive risk register covering intrinsic risks to their core objectives relating to quality and safety; service continuity; finances; and reputation and compliance. All risks on operational risk registers are also recorded on and managed using the Datix system.
- 4.13 Each lead assurance committee receives a regular report detailing all High and Very high operational risks within their area of responsibility, to enable the committee to seek assurance that these risks are being managed appropriately or escalated where necessary.

Risk ratings

- 4.14 A copy of the Risk Scoring Guide that is used to evaluate all risks that recorded within the Trust's risk registers on Datix is attached for reference as **Appendix III**.