

Board Assurance Framework

30 July 2018

Agenda Item No: 11.2

Trust Board Report

Meeting Date:	30 July 2018
Title:	Board Assurance Framework
Executive Summary:	To inform the Trust Board of updates to the Board Assurance Framework (BAF).
Action Requested:	Receive and note
For the attention of the Board	
Assure	<ul style="list-style-type: none"> The risks identified in the BAF are regularly reviewed and revised.
Advise	<ul style="list-style-type: none">
Alert	<ul style="list-style-type: none">
Author + Contact Details:	Keith Wilshere, Company Secretary Tel 01902 694294 Email keith.wilshere1@nhs.net
Links to Trust Strategic Objectives	<ol style="list-style-type: none"> Create a culture of compassion, safety and quality Proactively seek opportunities to develop our services To have an effective and well integrated local health and care system that operates efficiently Attract, retain and develop our staff, and improve employee engagement Maintain financial health – Appropriate investment to patient services Be in the top 25% of all key performance indicators
Resource Implications:	No additional resource implications from this report.
CQC Domains	<p>Safe: patients, staff and the public are protected from abuse and avoidable harm.</p> <p>Effective: care, treatment and support achieves good outcomes, helping people maintain quality of life and is based on the best available evidence.</p> <p>Caring: staff involve and treat everyone with compassion, kindness, dignity and respect.</p> <p>Responsive: services are organised so that they meet people's needs.</p> <p>Well-led: the leadership, management and governance of the organisation make sure it's providing high-quality care that's based around individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture.</p>
Equality and Diversity Impact	No changed impacts as a result of this report.
Public or Private:	Public
Other formal bodies involved:	Quality Governance Assurance Committee (QGAC) of the Board
References	None
NHS Constitution:	<p>In determining this matter, the Board should have regard to the Core principles contained in the Constitution of:</p> <ul style="list-style-type: none"> Equality of treatment and access to services High standards of excellence and professionalism Service user preferences Cross community working Best Value Accountability through local influence and scrutiny

The Board Assurance Framework should “provide organisations with a simple but comprehensive method for the effective and focused management of the principal risks that arise in meeting their objectives. It also provides a structure for the evidence to support the Annual Governance Statement”.

Board Assurance Framework (Appendix A)

Following updates the split of the Assurance Framework is:

Risks currently being managed (on-going)	4
Risks managed to target level	1

There are currently 5 risks contained within the Assurance Framework which are distributed across the Trust (5x5) categorisation matrix as below:

Likelihood	Consequence				
	1 Low	2	3	4	5 High
5 – Almost Certain				3 risks	
4 – Likely					
3 – Possible		1 risk	1 risk		
2 – Unlikely					
1 – Rare					

Utilising the Trust’s categorisation matrix (risk plot above) as a way of pragmatically prioritising the Trust’s risks, the following are considered to be of high risk to the Trust:

	ID	Risk Title	Lead
RED	SR1	Workforce - Recruitment and Retention of staff across the Trust and in particular the future pipeline of nursing and medical staff	HRD
	SR8	That there is a failure to deliver recurrent CIP's	COO
	SR9	That the underlying deficit that the Trust has (in 2018/19) is not eliminated in medium term to bring the Trust back to financial surplus.	CFO

The Updates are as follows:

SR1 Assurance – Negative Assurances – revisions in Red to Negative Assurance Controls Action Plans.

SR6b – no changes.

SR8 – revisions in Red - Additions to Positive Assurances (C4, C7) and Negative Assurance (C1).

SR9 – minor revision – Positive Assurance (C7).

Positive assurance added:

C1	Jul-18	Executive discussion on re-focussing Financial recovery Board (FRB) on Cost Improvement Programme (CIP) gap and underlying Financial Position.	Finance & Performance Committee FRB Report
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Minor changes to Negative Assurances (C2)

SR11 – no changes.

The Board Assurance Framework "provides organisations with a simple but comprehensive method for the effective and focused management of the principal risks that arise in meeting their objectives. This Assurance Framework assesses the most important risks that the Trust faces to date, and which have the highest potential for external impact. Such risks differ in magnitude and complexity to operational risks and often require comprehensive risk mitigation plans which spans over a longer timescale than most operational risks. The Trust defines strategic risk as a strategic control issue that could:

- Close down a service / services
- Seriously prejudice or threaten achievement of a principal objective
- Threaten the safety of service users.
- Threaten the reputation of the Trust/NHS.
- Lead to significant financial imbalance and/or the need to seek additional funding to enable resolve and/or result in significant diversion of resources from another aspect of the business.

Strategic (principle) risks will be reviewed as part of the annual business planning process and can also be identified in-year. They are managed as part of a complex process as opposed to discrete events. The Trust Board needs to be satisfied that strategic risks are being properly identified and managed robustly.

Risk score = consequence (i.e. impact) x likelihood - The matrix below is used to calculate a risk score, which will determine the category the risk falls within, that score informing follow up action, its urgency, and the required performance management to ensure the risk is managed effectively. For a fuller description/explanation of categories refer OP10 Policy.

Likelihood	Consequence				
	1 - Insignificant	2 - Minor	3 - Moderate	4 - Major	5 - Catastrophic
5 - Almost Certain	5	10	15	20	25
4 - Likely	4	8	12	16	20
3 - Possible	3	6	9	12	15
2 - Unlikely	2	4	6	8	10
1 - Rare	1	2	3	4	5
Likelihood score	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Unlikely	Almost certain
Broad description of frequency	Not expected to occur (yearly/ years)	Not expected to occur, however could given the right circumstances (annually).	May occur occasionally (monthly)	Will probably occur, however not a persistent risk (weekly)	Likely to occur on many occasions; a persistent risk (daily)

The extent to which the origins of the risk currently impact on the strategic risk.

- The origin of the strategic (principle) risk is significantly impacting on the risk.
- The origin of the strategic (principle) risk is still impacting on the risk to a limited extent.
- The origin of the strategic (principle) risk is no longer impacting on the risk

Controls

The extent to which the controls in place are satisfactory in impacting mitigation of the strategic risk.

- Effective control partially in place and thus only impacting in a limited way on the mitigation of the strategic risk.
- Effective control in place but only partially impacting on the mitigation of the strategic risk
- Effective control in place and positively impacting on the mitigation of the strategic risk.











Movement

The direction from last reported quarter

- Indicates improvement from last reported quarter
- Indicates same level from last reported quarter
- Indicates slippage or further required work from last reported quarter
- New item added since last quarter


Potential/Actual origins impact level

CORPORATE OBJECTIVES RISK MATRIX

REF	STRATEGIC RISK	ASSURANCE TO	RISK SCORES: LIKELIHOOD x CONSEQUENCE = TOTAL							MOVEMENT Q1 TO Q2	SINCE LAST UPDATE	CURRENT RISK & SCORE AT QUARTER 2 (18/19)	STRATEGIC OBJECTIVES				
			INITIAL RISK SCORE	SCORE AT QUARTER 2	SCORE AT QUARTER 3	SCORE AT QUARTER 4	SCORE AT QUARTER 1	Be in the top quartile for all performance indicators	Proactively seek opportunities to develop our services				To have an effective & well integrated organisation that operates efficiently	Maintain financial health - appropriate investment enhancement to patient services	Attract, retain & develop our staff & improve employee engagement	Create a culture of compassion, safety & quality	
SR1	Workforce - Recruitment and Retention of staff across the Trust and in particular the future pipeline of nursing and medical staff.	Director of Human Resources and Organisational Development	15	20	20	20	20			20					✓		
SR6b	Black Country or Staffordshire STP has an adverse impact on RWT income or services	Director of Strategic Planning and Performance	15	9	9	9	6			6				✓			
SR8	That there is a failure to deliver recurrent CIP's	Chief Operating Officer	20	20	20	20	20			20				✓			
SR9	That the underlying deficit that the Trust has (in 2018/19) is not eliminated in medium term to bring the Trust back to financial surplus.	Chief Financial Officer	15	20	20	20	20			20				✓			
SR11	Condition of the existing Estate - Quality and flexibility	Chief Financial Officer	12	12	12	12	9			9				✓			

ASSURANCE FRAMEWORK

Strategic Objective: To attract, retain and develop all employees and improve employee engagement year on year.

STRATEGIC (PRINCIPLE) RISKS	IMPACT x LIKELIHOOD = RISK SCORE				CURRENT ASSURED LEVEL	Movement
	INITIAL RISK SCORE	PREVIOUS QUARTER RISK SCORE	CURRENT RISK	TARGET RISK SCORE		
	5x3=15	3x5=15	20	5x2=10		
<i>What is the strategic risk to be controlled?</i>			EXECUTIVE DIRECTOR	BOARD COMMITTEE		
REF	STRATEGIC RISK					
SR 1 Date of origin - May 2015	Workforce - Attracation, Recruitment and Retention of staff across the Trust and in particular the future pipeline of nursing and medical staff.	Director of Workforce	Workforce & OD/Finance & Performance			

OPERATIONAL RISKS IMPACTING ON THIS STRATEGIC OBJECTIVE

RISK TITLE	RISK No.	GRADE	OPERATIONAL RISK DESCRIPTION
Consultant Job Plans	1713	4 x 3 = 12 amber	Failure to effectively maximise workforce productivity; failure to routinely review consultant job plans.
Recruitment and retention of Nursing staff - Division 2	2080	5 x 4 = 20 red	If the Trust is unable to recruit and retain sufficient nursing staff across the Division then there will be reduced quality of care for patients, including increased risk of falls or harm.
Qualified Nurse staffing levels - Division 1	4161	5 x 3 = 15 red	If there are reduced qualified nursing staffing levels across the Division then there is a risk to patient safety and quality of care.
Unable to recruit substantive Dermatology consultants	4715	5 x 3 = 15 red	If the Trust is unable to recruit substantive Dermatology consultants it will not be possible to provide the right level of care for patients.
Vacancies in consultant or non-consultant medical staff across Division 1.	4529	4 x 3 = 12 amber	consultant or non-consultant medical staff across the Division, this will compromise the provision of a safe, effective elective service and to the safe staffing of on-call rotas.

IMPACTS / CONSEQUENCES OF THE RISK?		ORIGINS OF THE RISK?	
REF		REF	
IC 1	Potential over reliance on agency / locum resource which may lead to quality issues and may lead to the temporary medical workforce cost become unaffordable.	O1	Reduction in the number of Doctors in Training coming through the deanery. There are recruitment gaps for some specialities increasing reliance on temporary workforce and locum, the market is highly competitive.
IC 2	Inability to deliver the future workforce plan with the potential that the Trust is unable to provide the level of service it is commissioned for and putting quality of patient experience and outcomes at risk.	O2	Lower interest medical training as a career - number of nurses leaving profession, increasing levels of voluntary turnover for Band 5 nurses in particular. Number of doctors in training leaving the profession before FY2 has increased nationally.
IC3	Ability to attract suitability qualified staff and retain them with the potential for costs involved in attracting and retaining staff becoming unaffordable.	O3	There is a national shortage of trained nurses and medics in the UK. The cost of attracting and retaining EU and non-EU staff is significant and the length of time from interview to start date is 6 months on average and up to a year for non-EU staff. The potential impact of Brexit is not quantified.
IC4	Potential for employee engagement indicators to decline (eg satisfaction, motivation) and for negative indicators (sickness, incidents greater than peer group upper quartile) which may lead to quality and cost issues, reduced staffing, impacting patient care and remaining staff morale and satisfaction.	O4	Shortage of workforce supply and competition from other NHS Providers and agencies - who may have stronger benefits or workforce initiatives.
IC5	With the potential for increased competition with other NHS organisations there is the possibility of salary escalation along with the wider issue of NHS competitive pay compared with the private sector	O5	Difficulty in obtaining Certificate of Sponsorship immigration visas - temporarily closed
Ref	Controls <i>What are the controls in place to mitigate these risks?</i>	*Level of assurance (L1, L2, L3)	Where and how often reported/monitored?
C1	Recruitment and recruitment initiatives (including Overseas) for Doctors to complement local and national recruitment.	L2	Workforce & OD Committee, Resourcing Operational Group, TMC, TB
C2	Recruitment and recruitment initiatives (including Overseas) for Nurses to complement local and national recruitment.	L1, L2	Workforce & OD Committee, Resourcing Operational Group, TMC, TB
C3	Staffing establishment reviewed regularly through the annual workforce plan to provides a clear route/organisational plan for bringing in future workforce pipelines.	L1, L2, L3	Workforce & OD Committee, NHSI
C4	Progress report on Trustwide workforce review to include the development of new roles.	L2	Workforce & OD Committee
C5	Develop a strategic approach to People Management and employee engagement and measure outcomes of people and OD strategy.	L2	Workforce & OD Committee

*Level 1 = Operational/Level 2 = internal oversight/Level 3 = Independent Assurance


What are the positive assurances (actual as opposed to potential) received?				
Control Ref	Date Assurance provided	POSITIVE ASSURANCE		COMMENT
		What is the source for assurance?	What assurance is provided?	
C1	01/01/2017 June 17	1. Workforce & OD Committee - Resourcing Workforce Updates. 2. Executive HR Report to TMC and Trust Board. 3. Medical Resourcing Group established to review Medical Recruitment and Retention Actions.	At Jan 2017 EEA workforce was 2.5% of the whole Trust workforce, retention rates have been reviewed and there is continued monitoring of retention rates. - Agencies are used to source UK and overseas doctors in addition to the standard recruitment routes within the UK. Overseas medical recruitment continues and has increased. - In addition, for medical staff the Trust has introduced a Clinical Fellowship programme to attract medics into the Trust securing 73 new starters to June 2017. Clinical Fellow recruitment has increased. Retention of staff was the focus of Chatback 2016. The Trust exit process has been reviewed and has been refreshed. Chatback 2017 focused on Trust vision and values - there is a report to WAG and Trust Board on the issues identified.	R&R split for Medics C1 and Nursing C2.
C2	01/05/2017 June 17	1. Workforce & OD Committee 2. Recruitment and Retention steering group. 3. Safer Staffing Updates in Chief Nurse Update report to TMC and Trust Board. 4. Executive HR report to TMC and Trust Board.	International Philippines campaign closed in January 2018 - 54 registered nurses have joined the Trust. The Trust appointed 19 Trainee Nursing Associates in 2017, the funding stream has now changed to a 2 year apprenticeship programme and 15 offers have been made to commence training March 2018. Proposals are being considered in respect of future cohorts. Employee engagement indicators are stable within the Trust, detailed work on retention and the Trust values have been reviewed within the newly established Attract and Retain Steering Group.	
C3	01/05/2017 June 17	1. Workforce & OD Committee - Resourcing Workforce Updates. 2. Executive HR Report to TMC and Trust Board. 3. Finance & Performance Committee 4. Update reports to Executive Directors through Director of Workforce. 5. Trust CIP Workforce Programme Updates on a monthly basis to include E-roster and Agency/Bank/Locum analysis.	Review of staffing establishment takes place through the annual workforce plan and this is reviewed regularly: - Nurse Recruitment team maintain a blueprint of nursing vacancies and placements. - Medical Recruitment maintain and report on medical staffing establishment and vacancy levels. - NHSI return of Workforce Plan submitted - scenario planning initiated supported by HEE. - Clinical Fellowship Programme established to assist with recruitment of posts at 'middle grade junior doctor level' and to provide a new career path for medical roles. - Trust CIP Workforce Programme has a work stream to control the use of agency, locum and bank staff - AndTrust wide resource review is planned. - E-rostering established to ensure staffing levels on wards are optimised. -Discussions with Allocate have taken place to review the use of Job Planning Module to provide a control and baseline for medical staffing.	
C5	01/09/2016 June 17	People and Organisation Development Strategy 2016-2020 progress report to WOD Committee	People and Organisation Development Strategy 2016-2020 KPI to be reported have been agreed.	

NEGATIVE ASSURANCES are ...					Jul 18 Status
What are the negative assurances received?					Updates made
Control Ref	Date Assurance provided	NEGATIVE ASSURANCE (include reasoning as appropriate)	ACTION PLAN	ACTION LEAD	AGREED DEADLINE
C1	01/01/2017 June 17	Length of time from interview to start date over 6 months. (Medical & Overseas Nursing)	Agencies are used to source UK and overseas doctors in addition to the standard recruitment routes within the UK	Medical Director	Ongoing
C1, C2, C3	May-18	Current overseas nurse recruitment comes to an end in early 2018/19	Develop business case to fund overseas recruitment of nurses. Complete but decision yet to be made	HR Manager (Workforce)	30/07/2018 Complete
C1, C2	Dec-17	Lack of a consistent/coordinated approach to the provision of staff benefits	Following the agreement of additional resource, implementation of the staff benefits approach.	HR Manager (Workforce)	Ongoing
C1, C2	Oct-17	The benefits of employment with the NHS are not adequately promoted	As part of improving attraction and recruitment, review and enhance the trust communication of the benefits of working within the NHS. First phase complete	Senior Resourcing Manger Head of Communications	Sep-18
C1, C2	Jun-17		Trust wide Workforce CIP Resourcing review to be initiated through FRB.	Director of Workforce Medical Director Chief Nurse	Ongoing
	Dec-17		Develop monitoring of length of time to recruit (advert to appointment timescale) Develop electronic exit interviews. Deadline extended to align with implementation of TRAC	Senior Resourcing Manger	Aug-18
C1, C2	Dec-17	There is no single coordinated central mechanism for recruitment across the Trust & a need to further focus on effective reporting	Review the option of procuring an electronic tool (such as TRAC) to improve recruitment processes & reporting. Now procured and focus moved onto implementation	Senior Resourcing Manger	Aug-18
C1, C2	Sep-17	The Trust lacks an integrated marketing approach to make best use of electronic media and events to improve attraction	Review options for improved marketing in order to enhance attraction	Senior Resourcing Manger Head of Communications	Aug-18
C1, C"	Oct-17	With regards to some roles within the Trust there is a lack of consistency and standardisation	Implement agreed action plan. PID agreed	Deputy Director of HR	Ongoing
C3	Sep-17	There is a need to review the organisational employment model to support greater flexibility, recruitment & attraction	Establish and promote and enhanced employment model	Deputy Director of HR	Apr-18
C1	Jan-18	The current corporate induction is not fully focused on on boarding new staff in order to improve retention	Undertake a full review of corporate induction in order to support improved retention of staff. Revised induction implemented	Senior Resourcing Manger Head of Communications	01/04/2018 Complete
C1	Jul-18	The current corporate induction is not fully focused on on boarding new staff in order to improve retention	Move beyond induction to a wider on boarding approach	Senior Resourcing Manger Head of Communications	Oct-18
C4, C5	Jun-17	There is no strategic approach to focus on attraction and retention.	Develop a draft Trust approach to Attraction and Retention for all staff.	Director of Workforce	Jul-18
C1, C2, C3	Jul-18	Ongoing supply issue with respect to qualified nurses	Building on the successes of recent large scale recruitment events, develop a longer term programme of regular nurse engagement and recruitment events.	Head of Resourcing	Oct-18
C1, C3	Mar-18	Failure to effectively maximise workforce productivity; failure to routinely review consultant job plans.	Review options for the procurement and implementation of electronic tools to support effective use and reporting of job plans. Options reviewed and business case now under development. Business case complete, awaiting decision.	Dep Medical Director Senior Resourcing Manger	01/07/2018 Complete
C1, C3	Jul-18	Failure to effectively maximise workforce productivity; failure to routinely review consultant job plans.	Dependant upon decision above, procure and implement electronic system	Dep Medical Director Senior Resourcing Manger	Mar-19

C3	Dec-18	Longer term plans to establish a central resourcing and temporary staffing function that handles internal bank and external agency placement requests for all. New NHSI requirement to establish BC collaborative bank.	Review options and support for a single collaborative bank mechanism across the BC. It has been agreed that the first phase is focusing on medical bank. Delays in obtaining multi organisational agreement	Director of Workforce	Apr-18
C3	Jun-17	Controls over agency and locum use require further control in place in order to have a planned and financially sustainable approach to temporary staffing, including to: - review compliance and spend levels against cap levels - review of the effectiveness of controls systems (i.e. business process, IT, monitoring) - review the operation and effectiveness of internal bank	This is monitored on a monthly basis at Workforce CIP with target for 2017-2018 year of £2 million reduction. Agreed to continue into 2018-19	Deputy Director of HR	Oct-18
C5	Mar-18	Engagement and Culture and Organisation Development require further action planning in order to ensure improved employee engagement, involvement and satisfaction	Review national staff survey actions that may be required at both an organisational level and at a divisional level. Action plan complete	Deputy Director of HR	01/05/2018 Complete
C5	Mar-18	Engagement and Culture and Organisation Development require further action planning in order to ensure improved employee engagement, involvement and satisfaction	Review electronic options/tools to monitor & improve staff engagement, communication and overall staff involvement	Deputy Director of HR Head of Communications	01/04/2018 Complete
C5	Jun-18	Engagement and Culture and Organisation Development require further action planning in order to ensure improved employee engagement, involvement and satisfaction	Develop a business case to fund an electronic tool to improve staff engagement and communication	Deputy Director of HR Head of Communications	Jul-18
C1	Mar-18	Increased difficulty in obtaining Certificate of Sponsorship for overseas Drs	Look to front load requests in the first two quarters of the financial year. Closed due to restrictions on cap being removed.	Senior Resourcing Manger	01/10/2018 Complete

ASSURANCE FRAMEWORK

Strategic Objective: Maintain financial health - appropriate investment enhancement to patient services

STRATEGIC (PRINCIPLE) RISKS		IMPACT x LIKELIHOOD = RISK SCORE				CURRENT ASSURED LEVEL	Movement
		INITIAL RISK SCORE	PREVIOUS QUARTER RISK SCORE	CURRENT RISK SCORE	TARGET RISK SCORE		
		15	9	6	0		
<i>What is the strategic risk to be controlled?</i>		EXECUTIVE DIRECTOR		BOARD COMMITTEE			
REF	STRATEGIC RISK						
SR6b	Black Country or Staffordshire STP has an adverse impact on RWT income or services	Director of Strategic Planning & Performance		Finance and Performance			
Date of origin - July 2016							

OPERATIONAL RISKS IMPACTING ON THIS STRATEGIC OBJECTIVE

RISK TITLE	RISK No.	GRADE	OPERATIONAL RISK DESCRIPTION
Significant financial pressure in the NHS Capital programme.	4584	Amber	Due to significant financial pressures in the NHS the Capital programme presented to the Trust in April may be under threat if the CRL is not approved by NHSI.

IMPACTS / CONSEQUENCES OF THE RISK?		ORIGINS OF THE RISK?	
REF		REF	
IC 1	This will result in reduced income for the Trust	O1	All Trusts are required to participate in Strategic Transformation programmes.
IC 2	Commissioners may decommission services		

Ref	Controls <i>What are the controls in place to mitigate these risks?</i>	*Level of assurance (L1, L2, L3)	Where and how often reported/monitored?
C1	Stafforshire STP published in December 16, Black Country STP published November 16, updates to be reported.	L2	Reported to F&P and Trust Board (monthly)
C2	Staffordshire STP - Clinical and managerial staff engaged in orthopaedics and ophthalmology workstreams and estates director invovled in estates workstream	L1, L2	Reported to F&P
C3	Black Country STP - CEO or Director of Strategic Planning and Performance attends Sponsor Group.	L2	Reported to F&P and TB
C4	Finance Lead attends Staffordshire and Black Country STP workstreams providing a report as and when appropriate.	L2	Reported to F&P
C5	The Director of Strategic Planning & Performance provides a monthly verbal progress update at the Finance & Performance Committee Meeting.	L2	Reported to F&P


***Level 1 = Operational/Level 2 = internal oversight/Level 3 = Independent Assurance**

What are the positive assurances (actual as opposed to potential) received?				
Control Ref	Date Assurance	POSITIVE ASSURANCE		COMMENT
		What is the source for assurance?	What assurance is provided?	
C1	01/09/2016 June 17	Director STP progress report	Current STP submissions have not identified any adverse impact on the Trust	
C2	Jun-17	Staffordshire STP and Black Country STP update.	Progress feedback to Directors on workstreams on an as and when basis.	
C3	Jun-17	Sponsor group update	Discussion commenced around the development of RWT as the main provider of specialist services in the Black Country.	
C4	Oct-17	Staffordshire STP and Black Country STP update.	Written update on latest developments provided to F&P Committee	
C5	Apr-18	Black Country Sponsor Group update	Governance being revised and no threats identified	

NEGATIVE ASSURANCES are ...					Jul 18 Status
What are the negative assurances received?					No updates to be made
Control Ref	Date Assurance provided	NEGATIVE ASSURANCE (include reasoning as appropriate)	ACTION PLAN	ACTION LEAD	AGREED DEADLINE
C1		Need to strengthen Staffordshire engagement	Ensure engagement of clinical teams in planned care workstream and strengthen relationship with Staffordshire commissioners and GPs	Director of Strategic Planning & Performance	01/07/2016 and ongoing

ASSURANCE FRAMEWORK

Strategic Objective: Maintain financial health - appropriate investment enhancement to patient services

STRATEGIC (PRINCIPLE) RISKS	IMPACT x LIKELIHOOD = RISK SCORE				CURRENT ASSURED LEVEL	Movement
	INITIAL RISK	PREVIOUS QUARTER RISK SCORE	CURRENT RISK SCORE	TARGET RISK SCORE		
	4x5 = 20	4x5 = 20	4x5= 20	4x3 = 12		
<i>What is the strategic risk to be controlled?</i>		EXECUTIVE DIRECTOR	BOARD COMMITTEE			
REF	STRATEGIC RISK					
SR8 Date of origin - June 2015	That there is a failure to deliver recurrent CIP's (Revised 2018/19)	Chief Operating Officer	Finance and Performance			

OPERATIONAL RISKS IMPACTING ON THIS STRATEGIC OBJECTIVE

RISK TITLE	RISK No.	GRADE	OPERATIONAL RISK DESCRIPTION
Division 1 failure to achieve CIP for 2018/19	4113 - amended	4 x 5 = Red	Failure to achieve operational CIP target for 18/19.

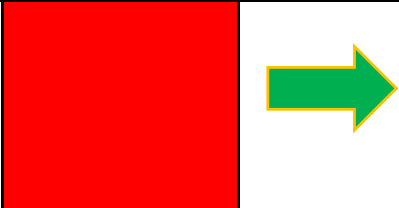
IMPACTS / CONSEQUENCES OF THE RISK?		ORIGINS OF THE RISK?	
REF		REF	
IC 1	Inability to meet financial targets	O1	Efficiency targets within tariff requiring release of CIP. Increase in underlying deficit.
IC 2	Inability to invest in services capital and/or revenue due to a lack of funds	O2	Continuing CIP targets with reduced ability to make efficiencies.
IC3	Reputational risk to organisation	O3	Workforce challenges (recruitment) resulting in failure to achieve savings. Failure to achieve previous year
IC4	Trust is placed in financial special measures	O4	Failure to deliver on some identified schemes of slippage ie procurement, outpatients.
		O5	Failure to identify recurring CIP schemes
		O6	Head of Service Transformation declined post. Vacancy in September 2018.
		O7	Additional CIP required as a result of signing up to the Provider Service Fund (PSF).
		O8	Trust required to undertake additional £7m elective activity which will affect CIP delivery

Ref	Controls <i>What are the controls in place to mitigate these risks?</i>	*Level of assurance (L1, L2, L3)	Where and how often reported/monitored?
C1	Monitoring of CIP target bi-weekly at financial recovery group (FRG) chaired by CEO.	L2	Reported to F&P and Trust Board (monthly)
C2	Use of transformational schemes via benchmarking to assist in CIP efficiencies.	L1, L2	Reported to F&P (monthly)
C3	Carter efficiency team identified savings via hospital model. Includes GIRFT (getting it right first time). Establishment of clinical excellence programme to focus on GIRFT reports.	L1	FRB, TB (monthly) & TMC
C4	Appointment of Deloittes to assist with CIP delivery ie outpatients.	L2	F&P (monthly)
C5	MD & COO reviewed all medical (doctor) establishment with Directorates and HR to understand vacancies, locum plans. Feeds into workforce plan.	L1	FRG (6 monthly)
C6	Divisional review of posts filled by agency staff - to be linked with revised plan for recruitment via AIM	L1,L2	Workforce Group, FRB, F&P (Monthly) & TMC

*Level 1 = Operational/Level 2 = internal oversight/Level 3 = Independent Assurance

What are the positive assurances (actual as opposed to potential) received?				
Control Ref	Date Assurance provided	POSITIVE ASSURANCE		COMMENT
		What is the source for assurance?	What assurance is provided?	
C1	Jul-18	FRG reporting	Focus on key workstreams which includes Theatres, Outpatients, Workforce, Pharmacy, Pathology and back office (procurement)	CIP target is phased into the latter part of the year. Theatre presentation at FRB provided assurance on progress. Outpatient programme work commenced - amber status for delivery.
C2	Jul-18	FRG reporting	CIP schemes continue to be indentified (mainly non recurrent). PIDs agreed by Directors and QSIG.	Non-recurrent CIP higher than forecast. Identification of schemes for 18/19 ongoing .
C3	Jul-18	FRB CIP reporting	CIP continues to be identified	See Above. Recurrent schemes under achieved. Vacancy factor introduced. Methodology is now confirmed.
C4	Jul-18	CIP Report	Clinical Excellence Group established with a rolling programme of reviews for each speciality. Action plans to be developed.	Schemes have been reviewed. Will now include GIRFT schemes. GIRFT clinical excellence meeting regularly and action plans in development.
C4	Jul-18	Product lines standardised by Procurement.	Catalogue lines reduced and further review on-going	Links with UHNM procurement team established. Meeting with UHNM (early July) to discuss further collaboration.
C5	Jul-18	FRG reporting to F&P	Deloitte onsite (June 16) and extended Sept 2018. FRP developed - actions commenced formal sign off. Regular FRG report to F&P.	Contract extended until Sept 2018. Review to take place following candidate declining post.
C6	Jul-18	Progress update	Meetings identifying plans for recruitment use of clinical fellows and also where gaps in directorate planning.	Resource meetings completed April 17 - completed report produced September 17. Deloitte report on impact of clinical fellows received. Action plan in place for Obstetrics and Gynaecology and Anaesthetics (Jan 18). Plans in place throughout 18/19 for further post.
C7	Jul-18	Workforce & FRG	Review of non-medical agency (32 posts). Forecast only 7 posts to remain at the end of February.	Weekly review of non-medical will be undertaken by COO. Agency forecast to be within capped limit. Review of agency undertaken weekly.

NEGATIVE ASSURANCES are ...					Jul 18 Status
What are the negative assurances received?					Updates received
Control Ref	Date Assurance provided	NEGATIVE ASSURANCE (include reasoning as appropriate)	ACTION PLAN	ACTION LEAD	AGREED DEADLINE
C1	Jul-18	There remains a CIP target with no plans for achievement	All areas reviewing plans. Focusing on 17/18 delivery. Update to F&P and Trust Board monthly.	Head of Transformation	Jun-18
C2	Jul-18	There is a shortfall against recurrent CIP.	All groups in FRB have an action plan for delivery.	Head of Transformation	Jun-18
C3	Jul-18	As a result of agreeing (PSF) control totals additional CIP is required.	All Trust members to identify CIP when possible - Link to C1.	All (COO)	on-going
C4	Jul-18	Carter GIRFT efficiencies are not yet confirmed	Continuing work to 'realise' what has been identified and ascertain potential savings. Work is ongoing. Clinical Excellence Group established.	Deputy Medical Director	Jan 18 on-going
C5	Jul-18	Failure to appoint transformational lead post	Continue with Deloitte. Appointment made.	Director of Strategy	Jul-18
C6	Jul-18	Agency spend variance from control total.	Focus on reduction in agency spend, medical i.e. clinical fellowship, recruitment. Non medical appointment to post. Reductions in agency online.	Chief Operating Officer	Jun-18
C3	Jul-18	FIP 2 (NHSI) Finance Improvement - Trust considering joining FIP 2, matching process currently underway.	Closed - Trust did not join FIP 2.	CEO/FD	Apr-17

ASSURANCE FRAMEWORK						
Strategic Objective: Maintain financial health - appropriate investment enhancement to patient services						
STRATEGIC (PRINCIPLE) RISKS	IMPACT x LIKELIHOOD = RISK SCORE				CURRENT ASSURED LEVEL	Movement
	INITIAL RISK	PREVIOUS QUARTER RISK SCORE	CURRENT	TARGET RISK		
	5x3 = 15	5x4 = 20	5x4= 20	5x2 = 10		
<i>What is the strategic risk to be controlled?</i>		EXECUTIVE DIRECTOR		BOARD COMMITTEE		
REF	STRATEGIC RISK					
SR9 Date of origin - June 2015	That the underlying deficit that the Trust has (in 2018/19) is not eliminated in medium term to bring the Trust back to financial surplus.	Chief Finance Officer		Finance and Performance		
OPERATIONAL RISKS IMPACTING ON THIS STRATEGIC OBJECTIVE						
RISK TITLE		RISK No.	GRADE	OPERATIONAL RISK DESCRIPTION		
Division 1 failure to achieve CIP target		4113	4 x 5 = 20 red	If Division 1 are unable to achieve the identified CIP target for 2017/2018 then there are implications for the financial position of the Trust		
Capital Programme under threat		4584	3 x 4 = 12 amber	Due to significant financial pressures in the NHS the Capital programme presented to Trust Board in April may be under threat if the CRL is not approved by NHSI.		

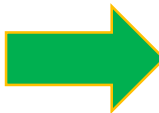
OPERATIONAL RISKS IMPACTING ON THIS STRATEGIC OBJECTIVE			
RISK TITLE	RISK No.	GRADE	OPERATIONAL RISK DESCRIPTION
Division 1 failure to achieve CIP target	4113	4 x 5 = 20 red	If Division 1 are unable to achieve the identified CIP target for 2017/2018 then there are implications for the financial position of the Trust
Capital Programme under threat	4584	3 x 4 = 12 amber	Due to significant financial pressures in the NHS the Capital programme presented to Trust Board in April may be under threat if the CRL is not approved by NHSI.
IMPACTS / CONSEQUENCES OF THE RISK?		ORIGINS OF THE RISK?	
REF		REF	
IC 1	That the Trust will be placed into recovery and turnaround by NHSI	O1	Lack of fully detailed Recurrent Cost/Efficiency Improvement Programme in 2016/17
IC 2	The Trust could have to apply for a working capital loan to the Independent trust Financing Facility for working capital/financing That the Trust is judged as not sustainable		
IC3	Reputational risk to organisation		
Ref	Controls <i>What are the controls in place to mitigate these risks?</i>	*Level of assurance	Where and how often reported/monitored?
C1	Further detailed Efficiency/Productivity plans from Divisions and Departments.	L1	Reported to F&P and Trust Board (monthly)
C2	Detailed plans to deliver to contracted levels of activity	L1	Reported to F&P
C3	On-going identification and delivery of Carter initiatives on staffing, estates, procurement and pharmacy/medicines.	L1	Reported to FRB
C4	Action on Agency Costs as per TDA guidance on capping arrangements.	L1	Reported monthly to F&P
C5	Receipt of Deloitte report on Trust CIP and Transformation Programme. Management capacity. Clear list of actions identified.	L2	Reported to F&P
C6	Update of Long Term Financial Model for discussion at Finance and Performance and then Trust Board on medium term financial plans. This will include a high level assessment of the STPs as they could impact on the organisation.	L2	Reported to F&P
C7	The final year of the MSFT funding deal is realised and paid in 2018/19	L2	Reported to F&P
C8	There is close cash monitoring and forecasting to ensure that the Trust has sufficient cash to operate	L2	Reported to F&P

*Level 1 = Operational/Level 2 = internal oversight/Level 3 = Independent Assurance

What are the positive assurances (actual as opposed to potential) received?				
Control Ref	Date Assurance provided	POSITIVE ASSURANCE		COMMENT
		<i>What is the source for assurance?</i>	<i>What assurance is provided?</i>	
C1	Apr-18	Finance and Performance FRB report	Further efficiency from deep dive reviews being identified. FRB is focussing on the CIP gap and identifying recurrent CIP where possible.	
C2	To be Agreed	Capacity Report to Finance and Performance Committee.	Commissioners have bought additional activity in 2018/19 above outturn levels in line with National requirements. Detailed activity levels and a capacity plan has been shared. Directorates/Groups actively considering whether further capacity is required.	
C3	Apr-18	FRB report to Finance and Performance Committee and the Board	<p>Further opportunities have been identified. Ongoing review of Agency spend and temporary staffing costs including WLIs. Work with External Consultancy now identified further efficiencies in Outpatients and this is being rolled out.</p> <p>The Trust in establishing its financial plan had an additional efficiency challenge requirement of £9.8m. The non-recurrent vacancy control factor now taken as recurrent has been re-evaluated and increased and used to offset this challenge in the first instance.</p>	
C4	Apr-18	FRB report to Finance and Performance Committee and the Board	<p>Balanced scorecard now being produced monthly on key issues as per NHS Improvement best practice.</p> <p>Agency Staffing continues to be carefully monitored as does temporary staffing including locums/bank costs and WLIs.</p>	
C5	Q2 2018	Audit Committee and Finance and Performance Committee	Internal Audit Plan for 2018/19 incorporates a review of this financial risk and the Cost Improvement programme.	
C6	Sep-18	Update to Finance and Performance Committee and then the Board.	LTFM to be updated for in year performance/contract mitigations/Forecast year End updated underlying financial position.	

C7	Jun-18	Update to Finance and Performance Committee.	Invoice to be raised to the Department of Health to secure 2018/19 MSFT financial payment. In addition £0.2m outstanding for 2017/18 to be pursued.	
C8	May-18	Audit Committee and Finance and Performance Committee	Internal Audit Report on cash management completed and taken to May Audit Committee. Controls in place and management action agreed. 12 month rolling cash forecast implemented. Clear Prompt Payment Statistics reported to Board. Self review against GT report on Barking, Havering & Redbridge Universities Hospitals.	
C1	Jul-18	Executive discussion on re-focussing Financial recovery Board (FRB) on Cost Improvement Programme (CIP) gap and underlying Financial Position.	Finance & Performance Committee FRB Report	

NEGATIVE ASSURANCES are ...					Jul 18 Status
What are the negative assurances received?					No updates received
Control Ref	Date Assurance provided	NEGATIVE ASSURANCE (include reasoning as appropriate)	ACTION PLAN	ACTION LEAD	AGREED DEADLINE
C2	01/05/2018 July 2018	The Trust may not be able to deliver commissioned activity levels.	The Trust has secured a draft risk/gain share agreement with Staffordshire CCGs and is in discussion with has proposed the same to Wolverhampton CCG.	CFO/DoSPP	On-going
C6	May-18	The increasing reliance on Non-recurrent CIPs means that the underlying position is deteriorating.	Further work on the underlying financial position identifies that the underlying position is deteriorating due to increasing levels of Non-Recurrent CIP. This will be shared in detail with F&P.	CFO	On-going

ASSURANCE FRAMEWORK						
Strategic Objective: Maintain financial health - appropriate investment enhancement to patient services						
STRATEGIC (PRINCIPLE) RISKS	IMPACT x LIKELIHOOD = RISK SCORE				CURRENT ASSURED LEVEL	Movement
	INITIAL	PREVIOUS QUARTER RISK SCORE	CURRENT RISK SCORE	TARGET RISK		
	4x3 = 12	4x3 = 12	3x3= 9	3x3 = 9		
What is the strategic risk to be controlled?		EXECUTIVE DIRECTOR		BOARD COMMITTEE		
REF	STRATEGIC					
SR11	Condition of the existing Estate - Quality and flexibility	Chief Finance Officer		Finance and Performance		
Date of origin - June 2015						
OPERATIONAL RISKS IMPACTING ON THIS STRATEGIC OBJECTIVE						
RISK TITLE		RISK No.	GRADE	OPERATIONAL RISK DESCRIPTION		
Capital Programme under threat		4584	3 x 4 = 12 amber	Due to significant financial pressures in the NHS the Capital programme presented to Trust Board in April may be under threat if the CRL is not approved by NHSI.		
IMPACTS / CONSEQUENCES OF THE RISK?				ORIGINS OF THE RISK?		
REF				REF		
IC 1	Inability to maintain Quality and Safety			O1	Ability to find resource to invest in retained Estate	
IC 2	Inability to deliver operational and commissioner targets			O2	Reduced income from commissioners	

Ref	Controls <i>What are the controls in place to mitigate these</i>	*Level of assurance (L1, L2, L3)	Where and how often reported/monitored?
C1	Five Year Capital Plan.	L2	Yearly at Board around February as part of the planning round unless any issues cause the strategy to be required to be reviewed earlier.
C2	2017/18 capital programme has identified high risk backlog	L2	Quarterly to F&P
C3	Further work on estates rationalisation as part of updated clinical strategy.	L2	Quarterly to F&P

*Level 1 = Operational/Level 2 = internal oversight/Level 3 = Independent Assurance

What are the positive assurances (actual as opposed to potential) received?				
Control Ref	Date Assurance provided	POSITIVE ASSURANCE		COMMENT
		<i>What is the source for assurance?</i>	<i>What assurance is provided?</i>	
C1	Mar-18	5 year capital programme presented to Board	Trust Board discussion on the estates strategy, 5 year capital programme and phasing. Board approved 5 year Capital programme.	
C2	Mar-18	Annual capital Programme submitted for Board approval	<p>Risk Assessed Annual Capital Programme. An application is being made to increase the CRL using the Trust's working capital to enhance the capital programme for 2017/18 to NHS I. Detailed backlog maintenance programme to be identified for 2017/18 spend by August CRG for approval. Action to be taken by Head of Estates Development in conjunction with Head of Estates.</p> <p>Due for completion by end of Feb 18.</p> <p>Backlog investment report and benchmarking data being presented to F&P on 21st March. This details that the total cost to eradicate all backlog maintenance (high, significant, moderate and low risk) reported in the 16/17 ERIC returns equates £86/m2. This figure is below average for Midland and East region and suggests that RWT does not suffer from underinvestment in backlog in comparison to other similar trusts.</p> <p>The detailed asset review by external professionals will be presented to F&P in July for discussion and agreement.</p>	

C3	Sep-17	Further work on estates rationalisation as part of updated clinical strategy.	<p>A structured 'Property Management' function under Estates (Development) being advanced alongside the clinical service strategy. Regular Property Management reporting has now commenced and includes community accommodation functions. Utilisation information is to be developed further. Room booking and agile working systems and options are being investigated. Business Case due for Feb 18.</p> <p>Work continues on rationalising options at West Park with a project led by the Director of Strategic Planning and Performance. This will be discussed at F&P when the analysis is complete.</p>	
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NEGATIVE ASSURANCES are ...					Jul 18 Status
What are the negative assurances received?					No updates received
Control Ref	Date Assurance provided	NEGATIVE ASSURANCE (include reasoning as appropriate)	ACTION PLAN	ACTION LEAD	AGREED DEADLINE
C1	Sep-17	On-going discussions commenced with Commissioners with regard to primary care estate strategy	<p>Develop primary care strategy with CCG.</p> <p>Ongoing discussions with commissioners, Local Authority and BCPFT as part of the Local Estates Framework (LEF). A joint service strategy is being developed to consider community estates rationalisation with local partners.</p> <p>Joint service strategy with Local Authority, BCPFT and Wolverhampton CCG has now been completed. Recommendations contained within the strategy for joint hub working are being explored. The development of a business case for such a hub is currently being procured.</p> <p>A new software system is being procured to record occupancy and report on occupancy. It is expected that for the system to be implemented and fully populated it could take 6-12months.</p> <p>Separate piece of work is underway to research space requirement and availability around the trust in order to satisfy existing need.</p>	Head of Estates Development	Joint Service Strategy has now been completed. Date for Hub business case yet to be confirmed.
C1	May-18	The Trust needs to secure payment of CRL as per the requirements of NHS Improvement for access to Pathology and Stroke resources	Work has commenced in gathering together the required documents for submission to NHS Improvement.	CFO/Director of Strategic Planning & Performance	End of May 18
C3	Sep-17	Lack of supporting information with regards to long term plan with regards to services. Also lack of information on space and room occupancy.	Monitor service strategy development. Develop business case for capital and revenue requirements required to manage occupancy and utilisation of space.	Head of Estates Development	Oct-17