

Report Title	2020 Strategic Board Assurance Framework – controls proposal		
Sponsoring Executive	Kam Dhami, Director of Governance		
Report Author	Barbara Anthony, Interim Head of Corporate Governance		
Meeting	Trust Board	Date	6 June 2019

1. Suggested discussion points *[two or three issues you consider the Board should focus on]*

The Board agreed an updated 2019-2021 Strategic Board Assurance in May 2019. This paper provides information on the updated new SBAF risks together with full details of the supporting controls, assurance processes and action plans to mitigate those risks. It also details the movement in each risk and the anticipated date when each target score will be achieved.

Additionally, it also sets out the requirement that each Board committee confirms the assurance level of the controls for each risk on a bi-monthly basis. The dominant gap on assurance relates to synthesising of data into information.

2. Alignment to 2020 Vision *[indicate with an 'X' which Plan this paper supports]*

Safety Plan	X	Public Health Plan	X	People Plan & Education Plan	X
Quality Plan	X	Research and Development	X	Estates Plan	x
Financial Plan	X	Digital Plan	X	Other <i>[specify in the paper]</i>	X

3. Previous consideration *[where has this paper been previously discussed?]*

Board development session on 18 April 2019.
Board meeting on 2 May 2019.

4. Recommendation(s)

Trust Board is asked to:

- CONSIDER**, challenge and confirm the updated SBAF and amended process for the Board committees.
- SUPPORT** the development of a risk appetite statement for the Trust

5. Impact *[indicate with an 'X' which governance initiatives this matter relates to and where shown elaborate]*

Trust Risk Register		Risk Number(s):				
Board Assurance Framework	x	Risk Number(s):				
Equality Impact Assessment	Is this required?	Y		N	x	If 'Y' date completed
Quality Impact Assessment	Is this required?	Y		N	x	If 'Y' date completed

SANDWELL AND WEST BIRMINGHAM HOSPITALS NHS TRUST

Report to Trust Board: 6th June 2019

2020 Strategic Board Assurance Framework – controls proposal

1.0 INTRODUCTION

1.1 The Trust recently updated the risks in its strategic Board Assurance Framework (SBAF) in April 2019 with the following review process:

- Quarterly review at Board;
- Bi-monthly reviews by each Board committee with an assigned risk;
- Quarterly review by A & RM Committee Chair and Director of Governance.

1.2 During May 2019, the updated SBAF has been reviewed by the Executive Lead responsible for each risk, with a focus on the controls and assurances presently in place to mitigate each risk. Risk scores have been updated where appropriate. Action plans to address any gaps in controls or assurance have also been set out and are contained in the annex.

1.3 Each responsible Board committee, when reviewing their assigned risks, will be required to confirm the assurance level (confidence level) of the effectiveness of the controls assigned to each risk and monitor/recommend actions required to improve the controls. Assurance levels will be measured against the following scale; zero, limited, adequate, or substantial. These will be included on the SBAF. By October 2019 we would expect to have resolved any limited or zero assurance positions.

2.0 SBAF risk formulation

2.1 The SBAF is set out in detail in the attached appendix.

2.2 Risk scoring is undertaken on a 5x5 matrix (Likelihood x Impact). Risks rated 15 or over are rated high (Red), 10 -12 are medium (Amber), 4 – 8 are moderate (Yellow) and 1-3 are low (Green).

2.3 The “Initial Risk” score sets out the scoring for each risk before the application of any controls. The “Current Risk” score sets out the scoring for the current month after all controls for that risk has been applied. Each risk is mapped to any underlying high level risk.

2.4 It is anticipated that approximately 60% of the risks (11 SBAF risks) will not meet their target risk score by the end of this financial year. The Board should give consideration to formulating a risk appetite statement for managing medium to long term risks.

3 Executive Summary

- 3.1** The current risk ratings associated with each strategic risk is shown below in a heat map.
- 3.2** All risks have multiple identified controls in place to move the current risk score to the desired target score.
- 3.3** It is anticipated that approximately 40% of the risks (8 SBAF risks) will reduce to their target scores by the end of this financial year, approximately 50% (9 SBAF risks) will reduce to their target scores by the end of Financial Year 2020/21. Of the remaining 2 risks, 1 is expected to reach its target score in Financial Year 21/22 and 1 in Financial Year 22/23.
- 3.4** Overall, 11 “old” SBAF risks have remained on the register since their inclusion in April 2017. Of these 11, 5 have reduced in score, 4 have remained static and 2 have increased in score.
- SBAF 14 (mortality risk) has increased from an initial score of 15 to 16 and reflects the change in Executive Lead responsible for the risk and their slightly different assessment of the score.
 - SBAF 19 (service sustainability across 2 sites) reflects the assessment of an increased risk following the collapse of the main contractor, Carillion, in January 2018.
- 3.5** There are no overdue actions.

4.0 RECOMMENDATIONS

The Trust Board is asked to:

- CONSIDER**, challenge and confirm the updated SBAF and amended process for the Board committees
- SUPPORT** the development of a risk appetite statement for the Trust

Barbara Antony
Interim Head of Corporate Governance
May 31st 2019

Likelihood	5	Almost Certain			18		
	4	Likely			5,11,16	8,9,10,14,17	
	3	Possible			3,9,15	1,4,6,7,13,18	
	2	Unlikely			12		
	1	Rare					
		Insignificant	Minor	Moderate	Major	Catastrophic	
		1	2	3	4	5	
Consequence							