

<b>Report Title</b>	Strategic Board Assurance Framework Update		
<b>Sponsoring Executive</b>	Kam Dhami, Director of Governance		
<b>Report Author</b>	Barbara Anthony, Interim Head of Corporate Governance		
<b>Meeting</b>	Public Trust Board	<b>Date</b>	3rd October 2019

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

The Board is required to review the SBAF on a quarterly basis. In doing so, the Board is asked to consider the following:

1. The **emerging themes from the “Confirm & Challenge”** process undertaken by the Audit & Risk Management Committee Chair, where 8 out of 9 Executive Director Leads met and discussed their risks in depth with the Audit Chair and the Director of Governance.
2. The projected timetable for **reduction in the risk scores** for the end of this financial year, 2020/21 and 2021/22. The heat map shows the majority of risk held is now rated as moderate and the Board will recall June’s SBAF report highlighting that just over 50% of the SBAF risks are scheduled to reduce to their target score in the medium to long term.
3. The aim for Board committees to be able to assess the **assurance level for each risk** as at least adequate by January 2020 Board. Presently, the confidence level in the assurance process for each risk is either “limited” or “adequate” and the Board is asked to confirm the assurance levels for the risks it is responsible for (SBAF 3, 7 and 18).

### 4. 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

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

Board development session on 18 April 2019. Board meetings on 2 May 2019 and 6 June 2019. Board committees from June 2019 onwards.

### 6. Recommendation(s)

The Trust Board is asked to:

- CONSIDER**, challenge and confirm the updated SBAF.
- CONFIRM** the assurance levels for SBAF 3, 7 and 18.
- CONSIDER** the themes from the Audit Chair’s “Confirm and Challenge” process.

### 7. Impact *[indicate with an ‘X’ which governance initiatives this matter relates to and where shown elaborate]*

Trust Risk Register	x	Risk Number(s):				
Board Assurance Framework	x	Risk Number(s): SBAF 1 - 19				
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: 3<sup>rd</sup> October 2019

## 2020 Strategic Board Assurance Framework Update

### 1. INTRODUCTION

The SBAF was refreshed in April 2019 and last reviewed by the Board on 6 June 2019.

#### Audit Chair “Confirm and Challenge” process

**1.1** On 13 September 2019, the Director of Governance and Audit Committee Chair met with 8 out of 9 Executive Leads<sup>1</sup> for each risk in a series of “Confirm and Challenge” discussions where each Exec Lead was asked to:

- Identify what would need to be present to enable them to report that their target score(s) had been reached.
- How the controls, assurances and overall assurance levels could be improved.

**1.2** The discussions with the Executive Leads were effective and prompted in depth discussion around the Board’s assurance requirements. The themes of the discussion are set out in **Appendix 1**. It is proposed that these discussions prompt further debate within Board committees with the outcome of improved controls and assurances by the January 2020 Board.

**1.3** For all SBAF risks, it was identified that further work is required to fill in the detail (i.e. monitoring data/specific reports) of the assurance for each control including the additional steps required for each committee to assess that it has “substantial” assurance for each risk.

**1.4** A summary of the assurance levels for each risk is attached at **Appendix 2**.

**1.5** The definitions for each level of assurance are set out below; the highest level of assurance is “substantial” meaning the Board are substantially assured that “they really know what they think they know”<sup>2</sup>.

Assurance level	Definition
Zero	Indicates poor effectiveness – there is no assurance that the controls are working either way
Limited	Some assurances in place or controls are still maturing so effectiveness cannot be fully assessed but should improve
Adequate	Some issues identified that if not addressed, could increase the likelihood of the risk materialising.
Substantial	Controls are suitably designed, being consistently applied and are effective in practice.

<sup>1</sup> A meeting will be scheduled with the COO to discuss her risks on her return from annual leave.

<sup>2</sup> Baker Tilly - Board Assurance: A toolkit for health sector organisations, Do we really know what we think we know?


- 1.6 The Director of Governance has asked the Interim Head of Corporate Governance to progress this work with individual Executive Leads, with the aim for responsible committees being able to confirm the assurance levels as “adequate” at a minimum.
- 1.7 All committees, save for Board and Public Health, have confirmed the assurance level of each risk for which they are responsible. 6 risks have “adequate” assurance; where some issues have been identified that if not addressed, could increase the likelihood of the risk materialising. 9 risks have “limited” assurance; where some assurances are in place or controls are still maturing so effectiveness cannot be fully assessed but should improve.
- 1.8 The Board is asked to confirm the assurance levels for SBAF 3, 7 and 9.
- 1.9 There are no zero assurance positions.


**2. SBAF DOCUMENT: EXECUTIVE SUMMARY**


- 2.1 The updated SBAF is set out in detail in **Appendix 3** and the current risk ratings associated with each risk are shown below in a heat map. The SBAF is embedded within each Board committee’s agenda and is reviewed on a monthly/bi-monthly basis by each committee (dependent on the committee cycle.)
- 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). 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.
- 2.3 Approximately 60% of the risks (11 SBAF risks) are not projected to meet their target risk score by the end of this financial year. 9 risks are projected to reach their target scores by end of Financial Year 2020/21, 1 risk by 2021/22 and 1 risk by 2022/23. The Board is asked to review and confirm its acceptance of the risk reduction timetable.
- 2.4 A summary of the up to date position for each risk is provided below and the Board should refer to **Appendix 2** for more detail.


SBAF 1 – Management bandwidth				
Current risk score (L X I)	Target risk score	Target date	Overall movement	Current assurance level
12 (3 X 4)	8	Jan 2020		<b>ADEQUATE</b>
Update on gaps and actions				
Group reviews are underway with additional capacity and support to be provided by the Improvement Team, with the whole process embedded and completed by Dec 2019. The PDR process is largely complete for all senior leaders. Alignment of staff/organisation				


objectives will take place as part of the moderation process. Moderation panels are booked and it is anticipated that the moderation process will be complete by end of Sept 2019.


<b>SBAF 2 – Collapse of local care home market</b>					
Current risk score (L X I)	Target risk score	Target date	Overall movement		Current assurance level
9 (3 X 3)	6	May 2022	Was 15 in April 2017, reduced to 9 in May 2019		<b>LIMITED</b>
Update on gaps and actions					
Work on implementation of outreach teams to support care homes is ongoing. Information on the provision of local authority beds has been requested and will be reported on by the end of September 2019. Work is continuing with mental health trusts to review workforce in community beds to support care of patients with mental health needs on a discharge pathway to nursing homes – Timetable for workforce plan to be designed and agreed by end of September 2019.					


<b>SBAF 3 – GP retention/recruitment</b>					
Current risk score (L X I)	Target risk score	Target date	Overall movement		Current assurance level
9 (3 X 3)	6	Dec 2020			<b>LIMITED</b>
Update on gaps and actions					
Actions focusing on accessing recruitment and retention data held by the CCG and commissioning a workforce study will be reported on in December 2019. The CCG were asked to provide their data by August 2019 and this will be reported on by the end of Sept 2019. The actions will provide foresight and visibility on the retention/recruitment figures, with the aim of developing controls to drive coordinated primary healthcare within the system.					


<b>SBAF 4 – Failure of vulnerable services</b>					
Current risk score (L X I)	Target risk score	Target date	Overall movement		Current assurance level
12 (3 x 4)	8	May 2021			<b>LIMITED</b>
Update on gaps and actions					
Gaps and actions have been reviewed and it is anticipated that the controls presently in place will reduce the current risk to its target score by May 2021. There will be a focus on defining the meaning of vulnerable services, identifying innovative ways of working including technological opportunities and driving the identification of vulnerable services across the Black Country STP.					


<b>SBAF 5 – welearn implementation</b>				
Current risk score (L X I)	Target risk score	Target date	Overall movement	Current assurance level
12 (4 x 3)	12	May 2020		<b>LIMITED</b>
<b>Update on gaps and actions</b>				
Further actions have been identified to mitigate the risk materialising. These relate to the development of local clinical audit plans, accreditation plans and learning tools. Progress updates are on track for the end of October 2019.				


<b>SBAF 6 – Midland Met Final Contractor</b>				
Current risk score (L X I)	Target risk score	Target date	Overall movement	Current assurance level
12 (3x4)	9	Oct 2019		<b>ADEQUATE</b>
<b>Update on gaps and actions</b>				
Work progresses on appointing Balfour Beatty as the Final Contractor. The FBC has been approved by the Board and approval has been gained from NHSI and DHSC; we await Treasury approval. Remedial works continue to be undertaken by Balfour Beatty.				


<b>SBAF 7 – Partners signing to ICP vision</b>				
Current risk score (L X I)	Target risk score	Target date	Overall movement	Current assurance level
12(3x4)	8	March 2020		<b>LIMITED</b>
<b>Update on gaps and actions</b>				
A number of actions are due to complete by the end of September 2019 relating to the development of an outcomes framework for West Birmingham where a response is awaited from the Birmingham commissioners. A response plan has been agreed for Sandwell and the next step is to secure funding to develop and monitor the plan. This will include the development of an underlying governance and assurance system.				


<b>SBAF 8 – Digital Plan gap</b>				
Current risk score (L X I)	Target risk score	Target date	Overall movement	Current assurance level
12(3 x 4)	9	August 2020	Was 16 in May 19, reduced to 12 in July 19 	<b>LIMITED</b>
<b>Update on gaps and actions</b>				
It is anticipated that this risk will reduce to its target score by end of financial year 20/21. There is a detailed focus on technical infrastructure requirements for Midland Met (which continues in line with the project plan), further development of the Digital Strategy and an appropriately skilled workforce by Sept 19; work on the Digital Strategy will be complete by March 2020.				


<b>SBAF 9 – Cost reduction/income plans</b>					
Current risk score (L X I)	Target risk score	Target date	Overall movement		Current assurance level
12 (3x4)	4	March 2020	Was 20 in April 17, reduced to 12 in May 19		<b>ADEQUATE</b>
<b>Update on gaps and actions</b>					
<p>A number of actions have completed which have strengthened the controls. The underlying position of the Trust has been refreshed and linked to Midland Met FBC. Regular reporting has been established as per the action and improvement plan. Effective and joined up cash flow forecasting has been re-established and meaningfully linked to I&amp;E delivery. One action relating to establishing reliable reports from SCCL on procurement CIP delivery has slipped due to lack of cooperation from SCCL. This has been escalated to the local and regional procurement boards. The target score has been reduced to 4 and it is anticipated that this will be achieved by March 2020. The previous target score was set at 8 with a target date of July 2019.</p>					


<b>SBAF 10 – NHS payment methods preventing ICS working</b>					
Current risk score (L X I)	Target risk score	Target date	Overall movement		Current assurance level
16 (4 x 4)	8	March 2020			<b>LIMITED</b>
<b>Update on gaps and actions</b>					
<p>The controls have been strengthened with the DoF now sitting on the HFMA Payment Systems and Specialised Commissioning Committee ensuring that we are sighted on integration opportunities. The Capitation S&amp;WB Working Group still needs to be created and this action is scheduled to be complete by Oct 2019. There is an on-going action to join up with the CCG's work on place based allocation which forms part of the mitigation plan in the event that Sandwell &amp; West Birmingham CCG separates. The risk remains high due to the lack of available national information on payment systems for ICS working.</p>					


<b>SBAF 11 – Labour supply</b>					
Current risk score (L X I)	Target risk score	Target date	Overall movement		Current assurance level
12 (4 x 3)	9	May 2021			<b>LIMITED</b>
<b>Update on gaps and actions</b>					
<p>The action relating to obtaining quality evidence on the effect of internal/external offers on the Trust, the perception of the Trust as an attractive place to work for different professional groups/those at a senior level remains on track for completion in December 19. Additionally, there is a need to produce a forward look of what the workforce will like in 5 – 10 years' time.</p>					


SBAF 12 – Staff development time					
Current risk score (L X I)	Target risk score	Target date	Overall movement		Current assurance level
6 (2 x 3)	4	May 2020			<b>LIMITED</b>
Update on gaps and actions					
The action relating to analysing the effectiveness of 3 initiatives together with the impact of Unity on developmental areas remains on track for completion in December 2019. Additionally, the assurance structure has been strengthened with further detail of underpinning reports and metrics.					

SBAF 13 – Workforce Wellbeing inc. Mental Health					
Current risk score (L X I)	Target risk score	Target date	Overall movement		Current assurance level
12 (3 x 4)	6	May 2020	Was 16 in April 17, reduced to 12 in May 19		<b>ADEQUATE</b>
Update on gaps and actions					
The action relating to identifying mental health related absences from ESR data points continues. A completion date needs to be identified. There is also a need to implement stress risks assessments that will enable the Trust to proactive and predictive in high risk areas. The assurance structure has been updated with better detail of the underpinning reports and metrics.					


SBAF 14 – Mortality reduction					
Current risk score (L X I)	Target risk score	Target date	Overall movement		Current assurance level
16 (4 x 4)	12	May 2020	Was 15 in April 17, increased to 16 in May 19		<b>ADEQUATE</b>
Update on gaps and actions					
2 Medical Examiners have been recruited to post with the recruitment focus now on the Medical Examiner Officer who is required to drive changes. Other identified actions remain in process and are anticipated to strengthen controls in the medium term. This risk is presently scored at 16 (red). The lack of movement reflects the natural time lag between interventions and monitoring data being produced which will show if the controls are working.					


SBAF 15 – Improve research goals				
Current risk score (L X I)	Target risk score	Target date	Overall movement	Current assurance level
9 (3 x 3)	6	May 2020		<b>ADEQUATE</b>
Update on gaps and actions				
<p>The post of R&amp;D Director has recently been out to advert with a candidate appointed – this will affect the assurance process in the short term as it will take a period of time for the new post holder to get up to speed. It is anticipated that the controls presently in place will reduce the current risk to its target score by May 2020. As with the mortality reduction risk, there is a natural time lag between interventions and evidence that the controls are working.</p>				

SBAF 16 – Unreliable Informatics structure				
Current risk score (L X I)	Target risk score	Target date	Overall movement	Current assurance level
12 (4 x 3)	6	June 2020	Was 16 in April 17, reduced to 12 in May 19 	<b>LIMITED</b>
Update on gaps and actions				
<p>Gaps and actions have been reviewed to provide more detail on the requirements for network stability, Unity implementation, recruitment and directorate support. It is anticipated that this suite of work will be complete by March 2020. The main focus of the controls remains on monitoring infrastructure performance via PTRG. The CIO is tasked with making sure PTRG reports are embedded within the IT work plan and are driving change. The system will be audited by RSM in March 2020.</p>				

SBAF 17 – Unity				
Current risk score (L X I)	Target risk score	Target date	Overall movement	Current assurance level
16 (4 x 4)	8	March 2020		<b>LIMITED</b>
Update on gaps and actions				
<p>The action relating to digital champion and super user training has been completed as has the workforce development plan for staff competencies. The testing of optimisation reports is still in progress but recruitment to the Performance and Insight team has been completed. The optimisation plan has been presented to CLE and will transfer to the controls section. The risk remains at 16 pending the imminent implementation of Unity.</p>				



SBAF 18 – Commissioning changes					
Current risk score (L X I)	Target risk score	Target date	Overall movement		Current assurance level
9 (3 x 3)	6	March 2020	Was 20 in April 19, reduced to 9 in July 19		<b>LIMITED</b>
Update on gaps and actions					
There is a need to develop quantified thresholds of what “Good” would look like for the new hospital operation and integration. This would need to include performance metrics for 2020 – 2023 and identifiable controls to manage operation deficiencies that may occur when the hospital opens. An initial target date of April 2020 has been set. The risk has reduced to reflect the recent decision of the West Birmingham GPs to remain part of Sandwell & West Birmingham CCG.					

SBAF 19 – Sustainability of services on 2 sites					
Current risk score (L X I)	Target risk score	Target date	Overall movement		Current assurance level
12 (3 x 4)	8	Dec 2019	Was 8 in April 17, increased to 12 in May 19		<b>ADEQUATE</b>
Update on gaps and actions					
The likelihood of the risk materialising has increased from unlikely to possible due to the insolvency of Carillion and subsequent project delay for MMH. Actions regarding the acute medical workforce are in progress. Successful recruitment has led to improved weekend cover and further solutions are being explored. Progress has been made on the 7 day dashboard. However, the committee should note that the majority of operational resources are targeted at the successful implementation of Unity which will lead to a delayed timetable for some actions connected with this risk.					

### 3. SUMMARY

- 3.1 The Audit Chair’s “Confirm and Challenge” process is focusing on reviewing and improving the SBAF on a regular basis. A target of reaching at least “adequate” assurance has been set for each committee to reach by January 2020.
- 3.2 The SBAF is firmly embedded within each board committee’s agenda and is reviewed by the Board on a quarterly basis. This ensures the Board is sighted on its immediate strategic risks and assured that gaps and actions are being monitored and reported on a regular basis. The Board will review the SBAF on an annual basis to see if new strategic risks should be included and redundant ones removed.

#### 4. RECOMMENDATIONS

The Trust Board is asked to:

- a) **CONSIDER**, challenge and confirm the updated SBAF and projected timetable for risk reduction.
- b) **CONFIRM** the assurance level for SBAF risks 3, 7, 13 and 18.
- c) **CONSIDER** the themes from the Audit Chair's "Confirm and Challenge" process.

**Barbara Anthony**  
**Interim Head of Corporate Governance**  
**26<sup>th</sup> September 2019**

**Heat map movement: 1 April - October 2019**

