

REPORT TITLE:	Board Assurance Framework Report		
SPONSORING EXECUTIVE:	Kam Dhami, Chief Governance Officer		
REPORT AUTHOR:	Dan Conway, Associate Director of Corporate Governance / Company Secretary		
MEETING:	Public Trust Board	DATE:	11 th January 2023

1. Suggested discussion points <i>[two or three issues you consider Trust Board should focus on in discussion]</i>
<p>The report details the last quarter update to the Board Assurance Framework (BAF). The risks have been reviewed by each lead Executive, with gaps, assurance and controls added, along with actions to address these.</p> <ul style="list-style-type: none"> The paper details the discussions taken place at each of the Board Committees and identifies where members feel additional work is required to gain further confidence. There is a summary of work undertaken on each BAF risk along with what needs to be undertaken ahead of the next review. The 002 Risk: There is a risk that the Trust fails to make best strategic use of its resources score was increased since the last presentation from 16 (4x4) to 20 (4x5) due to the financial challenges the Trust are currently facing.

2. Alignment to our Vision <i>[indicate with an 'X' which Strategic Objective[s] this paper supports]</i>												
<table border="1"> <thead> <tr> <th>OUR PATIENTS</th> <th></th> <th>OUR PEOPLE</th> <th></th> <th>OUR POPULATION</th> <th></th> </tr> </thead> <tbody> <tr> <td>To be good or outstanding in everything that we do</td> <td>X</td> <td>To cultivate and sustain happy, productive and engaged staff</td> <td>X</td> <td>To work seamlessly with our partners to improve lives</td> <td>X</td> </tr> </tbody> </table>	OUR PATIENTS		OUR PEOPLE		OUR POPULATION		To be good or outstanding in everything that we do	X	To cultivate and sustain happy, productive and engaged staff	X	To work seamlessly with our partners to improve lives	X
OUR PATIENTS		OUR PEOPLE		OUR POPULATION								
To be good or outstanding in everything that we do	X	To cultivate and sustain happy, productive and engaged staff	X	To work seamlessly with our partners to improve lives	X							

3. Previous consideration <i>[at which meeting[s] has this paper/matter been previously discussed?]</i>
The BAF was considered at all the Board Committees in July 2022

4. Recommendation(s)
The Public Trust Board is asked to:
a. REVIEW the updated BAF and provide comment

5. Impact <i>[indicate with an 'X' which governance initiatives this matter relates to and, where shown, elaborate in the paper]</i>							
Board Assurance Framework Risk 01	X	Deliver safe, high-quality care.					
Board Assurance Framework Risk 02	X	Make best strategic use of its resources					
Board Assurance Framework Risk 03	X	Deliver the MMUH benefits case					
Board Assurance Framework Risk 04	X	Recruit, retain, train, and develop an engaged and effective workforce					
Board Assurance Framework Risk 05	X	Deliver on its ambitions as an integrated care organisation					
Corporate Risk Register [Safeguard Risk Nos]							
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 NHS TRUST

Report to the Public Trust Board on 11th January 2023

Board Assurance Framework Quarterly Report

1. Introduction

- 1.1 The Board has a critical role to focus on risks that may compromise the achievement of the Trust’s objectives. The Board Assurance Framework (“BAF”) is how the Board holds itself to account for this role, i.e., the main tool to discharge responsibility for internal control.
- 1.2 In January 2022, ANHH Consulting (“ANHH”) worked with the Board to develop a new BAF in response to the recently approved Strategy. This was formally agreed by the Trust Board in April 2022.

2. Trust Board Reputational Risk Appetite Statement

- 2.1 ‘As a Board, we are willing to take decisions that are likely to bring scrutiny of the organisation. We outwardly promote new ideas and innovations where potential benefits outweigh the risks’.

3. Risk Score

- 3.1 The Risk Assessment & Risk Register Policy includes a risk assessment matrix. That matrix proposes scores and thresholds for both likelihood and severity.

RISK RATING: Use matrix below to rate the risk (*e.g.*, 2 x 4 = 8 = Yellow, 5 x 5 = 25 = Red)

	Likelihood				
Consequence	Rare 1	Unlikely 2	Possible 3	Likely 4	Almost Certain 5
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Insignificant	1	2	3	4	5

Green = LOW risk

Yellow = MODERATE risk

Amber = MEDIUM risk

Red = HIGH risk

4. Overall Board Assurance Framework Summary and Commentary

Risk No:	Objective	Risk Detail	Lead Exec	Lead Committee	Inherent Risk score (Consequence x Likelihood)	Current Residual Risk score (Consequence x Likelihood)	Target Risk Score (Consequence x Likelihood)	Last Reviewed	Risk Appetite	Committee Assurance Rating
001	Patients: To be good or outstanding in everything we do	There is a risk that the Trust fails to deliver safe, high-quality care	Chief Nursing Officer & Chief Medical Officer	Quality and Safety	16 (4 "Likely" x 4 "Major")	16 (4 "Likely" x 4 "Major")	4 (4 "Likely" x 1 "Rare")	Oct 2022	Cautious	Reasonable Assurance
002	Patients: To be good or outstanding in everything we do	There is a risk that the Trust fails to make best strategic use of its resources	Chief Finance Officer	Finance, Investment and Performance	16 (4 "Likely" x 4 "Major")	20 (4 "Likely" x 5 "Almost Certain")	4 (4 "Likely" x 1 "Rare")	Oct 2022	Cautious	Reasonable Assurance
003	People - To cultivate and sustain happy, productive, and engaged staff	There is a risk that the Trust fails to recruit, retain, train, and develop an engaged and effective workforce	Chief People Officer	People and OD Committee	16 (4 "Likely" x 4 "Major")	16 (4 "Likely" x 4 "Major")	4 (4 "Likely" x 1 "Rare")	Oct 2022	Open	Reasonable Assurance
004	Population- To work seamlessly with our partners to improve lives.	There is a risk that the Trust fails to deliver on its ambitions as an integrated care organisation	Chief Integration Officer	Integration Committee	16 (4 "Likely" x 4 "Major")	16 (4 "Likely" x 4 "Major")	4 (4 "Likely" x 1 "Rare")	Oct 2022	Open	Reasonable Assurance
005	Population- To work seamlessly with our partners to improve lives.	There is a risk that the Trust fails to deliver the MMUH benefits case	Chief Development Officer	MMUH Opening Committee	16 (4 "Likely" x 4 "Major")	16 (4 "Likely" x 4 "Major")	12 (4 "Likely" x 3 "Moderate")	Oct 2022	Cautious	Reasonable Assurance

4.1 Each of the risks were discussed at the relevant Board Committee. There were discussions around if the current risk score was relevant and if additional input was needed in the controls and assurances.

4.2 The 002 Risk: There is a risk that the Trust fails to make best strategic use of its resources score was increased since the last presentation from 16 (4x4) to 20 (4x5) due to the financial challenges the Trust are currently facing.

4.3 There are no other changes proposed to risk scores in this quarter by the executive risk owners

4.4 Detailed below is a summary of what is going well and what are the challenges in managing each BAF risk (see appendix in Reading Room).

4.5 **BAF 001 Risk:** There is a risk that the Trust fails to deliver safe, high-quality care was reviewed by the Quality and Safety Committee in October 2022. The top three things that had been done with the BAF this quarter:

- A new action around the Fundamentals of Care Dashboard and Mortality dashboard has been added.
- the Fundamentals of Care Framework engagement had been completed and launched on 22 September 2022. Six follow up events were undertaken through November 22.
- The BAF Risk key assurances relating to effectiveness of the controls were reviewed and level of assurances were assigned to each.

The risk score has remained the same $4 \times 4 = 16$ since the initial risk assessment in April. Given the current winter challenges and the two critical incidents due to patient safety in relation to patient flow, this should be reviewed with any additional key controls required added in the BAF for the review at Quality and Safety Committee in February 2023.

4.6 **BAF002 Risk:** There is a risk that the Trust fails to make best strategic use of its resources was reviewed by the Finance, Investment & Performance Committee in October 2022. The top three things that had been done with the BAF this quarter:

- Two new causes have been added to the risk: - a failure to return to pre-pandemic levels of productivity and insufficient workforce capacity or mis-aligned objectives.
- The risks and causes had been refreshed. The initial risk assessment of $4 \times 4 = 16$ had been increased to $4 \times 5 = 20$ due to financial pressures.
- 5 new actions have been added to the risk mitigation plan given the increase in the score.

Given the increase in the risk score and increased causes, the committee will need to review controls and assurances further in the BAF review at Finance, Investment &

Performance Committee in February 2023, to ensure the targeted reduced risk level is achievable.

4.7 BAF 003 Risk: There is a risk that the Trust fails to recruit, retain, train, and develop an engaged and effective workforce was reviewed by the People & OD Committee in October 2022. The top three things that had been done with the BAF this quarter:

- The committee agreed that a fuller deep dive was required on the BAF to agree the changes and updates required. It was agreed that just having a plan in place was not necessarily providing assurance.
- The BAF Risk key assurances relating to effectiveness of the controls were reviewed and level of assurances were assigned to each.
- A new action around the Leadership Development Framework has been added to the BAF.

The risk score has remained the same $4 \times 4 = 16$ since the initial risk assessment in April. A review of how the reduction of the target score of $4 \times 1 = 4$ is needed and the BAF report needs to show how this is achievable through the risk mitigation plan. It was agreed that a deep dive of the BAF and some support for the committee leads will be completed before the BAF review in February 2023.

4.8 BAF Risk 004: There is a risk that the Trust fails to deliver on its ambitions as an integrated care organisation, was reviewed by the Integration Committee in October 2022. The top three things that had been done with the BAF this quarter:

- Two new risk mitigation actions around the Green Delivery Plan and Regeneration Plan have been added.
- The Green Plan action had progressed and alignment of delivery objectives between Place partnerships and the opening of MMUH had been a focus and is reflected in the BAF.
- The Primary Care associated risks had been updated from the Sandwell Health and Care Partnership paper into the BAF.

The risk score has remained the same $4 \times 4 = 16$ since the initial risk assessment in April. A review of how the reduction of the target score of $4 \times 1 = 4$ is needed. There is a gap on the BAF regarding sequencing with the Provider Collaborative, work will be completed around this, and the risk updated ahead of the BAF review in February 2023.

4.9 BAF 005 Risk: There is a risk that the Trust fails to deliver the MMUH benefits case is reviewed by the MMUH Opening Committee monthly. The top three things that had been done with the BAF this quarter:

- The BAF is taken to the committee monthly and has good engagement from the membership.
- Key mitigations had been set out for gaps in controls around the maturity and effectiveness of the programme management within the BAF.
- A more developed set of strategic risk control gaps and actions have been developed for the Committee to discuss regularly.

This risk will continue to develop and change as the committee focus shifts from construction to delivery. A review of the link between the risk mitigation actions and the controls will need to be carried out ahead of the BAF review in February 2023.

4.10 In summary, there is little movement on the net risk scores for the five risks over the reporting period. The tables below give a summary of the recent changes over the last quarter and the current scores for principal risks are summarised in the following heat map.

Highlight of recent risk changes:	
NEW RISKS:	0
CHANGES IN SCORE:	1
CLOSED RISKS:	0

Highlight of Actions:	
NUMBER OF ACTIONS:	31
NEW ACTIONS:	9
CLOSED ACTIONS:	5

HEATMAP

Consequence	Likelihood				
	Rare 1	Unlikely 2	Possible 3	Likely 4	Almost Certain 5
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16 BAF 001 BAF 003 BAF 004 BAF 005	20 BAF 002
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Insignificant	1	2	3	4	5

5 Next steps

5.3 Before the presentation of the BAF to Trust Board, the following work will be undertaken:

- All the risks require a thorough review to ensure gaps in external and internal assurances are in place, and that assurances that have been described are aligned to the corresponding controls.
- Review the control actions to ensure there is a clear thread on the committee forward plans and how this links into the reporting schedule for Trust Board.
- A narrative as to how the current risk scores will achieve the target risk score and review if the target risk score needs to be changed.

6 Recommendations

The Trust Board is asked to:

- a) **REVIEW** the updated version of the BAF and provide comment.

Dan Conway

Associate Director of Corporate Governance/Company Secretary

January 2023

Appendix 1: Detailed BAF Report (in Reading Room)