

Item 6.1a Board Assurance Framework 2016/17

- Each area of the BAF is aligned to the delivery of the strategic goals set by the Board (i.e. achievement of 2016/17 milestones and in-year work to build capacity / capability for future milestones) and regulatory compliance (corporate governance statement)

- **Board Evaluation :**

An assessment of the likelihood and impact of each strategic risk will generate a RAG rating which the Board will assign to each BAF entry

5x5 matrix

X		LIKELIHOOD				
IMPACT / CONSEQUENCE		1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
	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 Negligible	1	2	3	4	5

- Refer to BAF Policy for operating guidance, roles and responsibilities and reporting template

	Never event reported 10.11.16	<ul style="list-style-type: none"> Ward boards ECS assessment process Audit programme RCA process Comprehensive audit system in place to monitor the reliability and effectiveness of secure health messaging 	<ul style="list-style-type: none"> ECS compliance reports Weekly harms report (Exec team) 		<p>medicines management, rationalise alerting system and improve functionality (s.t. contract re-negotiation and upgrade)</p> <ul style="list-style-type: none"> Baseline year for 2017/18 CQUiN on antimicrobial resistance to be agreed with commissioner Identify and implement actions / organisational learning following RCA of never event provide assurance on reliability and effectiveness of the secure health messaging system Undertake comprehensive review of patient administration structures, systems and 	<p>MJ Q4</p> <p>MJ Q4</p> <p>MJ Q4</p> <p>TW – Q4</p>	
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Comment [LL4]: EPR changes to alerting system complete and action closed.
A number of refinements made to EPR around medicines management but further work to do – 2017/18 BAF will reflect need to deliver strategy for safe medication

Comment [LL5]: Superseded by new 2017/18 CQUiN based on improved sepsis management and reduction in antimicrobial prescribing

Comment [LL6]: Ongoing. 2017/18 BAF will reflect the need to improve organisational learning as a key priority

Comment [LL7]: Completed and closed

					processes (PMO to recruit project manager)		
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- Comment [LL8]: Ongoing Carry forward 2017/18
- Comment [LL9]: Completed

1.2 SP/RAP	<p>Unable to improve effectiveness of clinical care due to:</p> <ul style="list-style-type: none"> Failure to improve reliability in sepsis management and pathology testing bundles Operational pressures preventing timely discharge <p>This could lead to avoidable patient harm, financial penalties and poor patient experience.</p> <p>The maintenance of dementia case finding rates is very low risk as business as usual (this target is mandated for 2016/17)</p>	<ul style="list-style-type: none"> Care bundles and clinical management policies for sepsis management and pathology testing protocols Daily Safety Huddles ECS assessment process Audit programme Quality strategy Quality improvement policies and procedures (e.g discharge / 'home for lunch') Care Support Team Incident reporting & root cause analysis 	<ul style="list-style-type: none"> Quality dashboard Divisional dashboards Clinical Audit Reports ECS compliance reports Weekly harms report (Exec team) 		Improvement plans to ensure 20% patients are 'home by lunch' by March 17	SP – Q4	3 x 2 = 6 Unlikely
1.3 SP	<p>Failure to deliver care with compassion due to:</p> <ul style="list-style-type: none"> Staff not consistently displaying trust values and behaviours Inability to meet the needs of patients with additional needs due to lack of resourcing and / or skills Lack of staff training and awareness of fasting policy Recruitment and retention of staff with the right skills and values 	<ul style="list-style-type: none"> Patient and Family Experience Strategy PACT – staff values and behaviours Induction and mandatory training Individual performance review and PDP process Trust policy on fasting Policies and processes for ensuring safe 	<ul style="list-style-type: none"> Safe staffing reports to Board Ward boards ECS compliance reports Workforce reports Recruitment strategy Complaints and Compliments 	<ul style="list-style-type: none"> Patient Survey Staff survey CQC inspection report 	Develop learning disabilities pathway	SP – Q4	3 x 2 = 6 Unlikely

Comment [LL10]: Not achieved in 16/17. 2017/18 BAF will reflect patient flow work underway to ensure timely seamless discharge for all patients; and launch of new work on reliability of care

Comment [LL11]: Completed and closed

	This could lead to poor patient and family experience with adverse consequences for the Trust's strong reputation in this field	staffing <ul style="list-style-type: none"> ▪ Safety huddle ▪ Speak out safely campaign ▪ Designated lead nurse for PFCC, dementia and safeguarding 	<ul style="list-style-type: none"> ▪ Quality dashboard 				
1.4 MJ	Failure to implement and embed organisational learning due to : <ul style="list-style-type: none"> ▪ Lack of cross-divisional communication ▪ Poor adoption of OL Policy ▪ Failings in governance processes to check on closure of actions This could lead to avoidable patient harm, financial penalties and reputational issues.	<ul style="list-style-type: none"> ▪ Organisational Learning Policy ▪ Operational Board business cycle ▪ Cross-divisional meetings ▪ Mortality Review Process ▪ Incident reporting & root cause analysis process 	<ul style="list-style-type: none"> ▪ Audit reports ▪ Divisional Governance minutes ▪ Operational Board minutes ▪ RCA Investigation Reports 	<ul style="list-style-type: none"> ▪ CQC Inspection Report ▪ Coroner inquest findings 	<ul style="list-style-type: none"> ▪ Embed policy and conduct regular audits to provide assurance on actions taken (75% of audits to reveal significant assurance by March 17) 	MJ – Q4	3 x 2 = 6 Unlikely

Comment [LL12]: Not achieved in 2016/17. 2017/18 BAF will reflect renewed focus on organisational learning

	<p>opportunities that help the Trust to remain clinically, operationally and financially viable.</p> <p>Increased risk of threat of cyber-attack following spate of IT security breaches reported across NHS</p>		Jan 17)		<p>genomics strategy</p> <ul style="list-style-type: none"> Develop and implement an integrated IM&T strategy Develop and implement a strategy for private patients 	<p>MJ – Q4</p> <p>MJ – Q4</p> <p>TW – Q3 (ref Board paper Dec 16)</p>	
2.2 TW	<p>Unable to implement new models of care due to:</p> <ul style="list-style-type: none"> Uncertainty in external environment Inability to influence commissioning intentions Inability to swiftly respond to national and local policy; Ineffective partnership arrangements leading to loss of management control; Inability to develop strategic alliances with other NHS providers Lack of clinical buy in / poor staff engagement Inability to secure the required resources – finance, capacity, expertise Lack of ideas / innovations <p>If the Trust is unable to develop its service portfolio may lose strategic opportunities that help the Trust to remain clinically, operationally and financially viable.</p> <p>Implementation of Liverpool Partners</p>	<ul style="list-style-type: none"> Investment policy Business case appraisal Regular meetings with key stakeholders Stakeholder Newsletter Partnership governance arrangements Contract management Research and Innovations Strategy 	<ul style="list-style-type: none"> Integrated Performance committee papers & minutes BoD papers & minutes Plan in place for delivery of 7 day ACS service wef January 2017 	<ul style="list-style-type: none"> Stakeholder feedback / survey Announcement of commissioners decision to implement Liverpool partners model for provision of CHD wef 1.4.16 	<ul style="list-style-type: none"> Develop and agree an implementation plan to ensure smooth transition of Manchester service for implementation in 2018 Develop business case for robotics Achieve and maintain compliance with national access targets Develop and deliver innovations 	<p>TW-Q4</p> <p>TW-Q3</p> <p>TW-Q1 onwards</p> <p>MJ-Q3</p>	<p>3 x 3 = 9 Possible</p>

Comment [LL15]: Completed and closed

Comment [LL16]: In progress – carry forward to 2017/18 BAF

Comment [LL17]: Strategy paper to April 17 Board – any follow up assurances required will be tracked via Board action log

Comment [LL18]: Awaiting commissioner decision – carry forward to 2017/18 BAF

Comment [LL19]: Business case to April 17 Board – any follow up assurances required will be tracked via Board action log

Comment [LL20]: All targets met 2016/17 – action completed and closed

Comment [LL21]: Continued progress evidenced through innovation showcase presentations to BoD and focus for March Development day with OB and clinical leads. Further time earmarked in Board development plan 2017/18. Action closed.

BAF Updated for Q4 : April 2017

	Model for CHD is delayed pending outcome of national consultation process						
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3 VALUE

To maintain financial viability, enhance service delivery, improve the health of our patients and safely reduce costs through our programme of transactional and transformational change by:

- Achieving income plans – activity plan
- Reducing expenditure – bank and agency (Monitor cap on agency); premium sessions
- Achieving CIP
- Improving Service Line Reporting – alignment with ledger, SLR self-service, improved adoption as reliable information source

	Principal Risks preventing the Trust achieving strategic goals	Key controls	Board Assurance		Gaps in Control / Assurance	Action Who? / When?	Board Evaluation (impact x likelihood)
			Internal	External			
3.1 CW/ TW	<p>Failure to improve the Trust's efficiency through the safe reduction of costs:</p> <ul style="list-style-type: none"> ▪ Non-delivery of the cost improvement target; ▪ Non-delivery of conditions attached to release of STF ▪ Competing quality and resource priority may lead to additional cost pressures; ▪ Inability to improve patient flow; ▪ Decommissioning and/or loss of services to competitors; and/or ▪ Commissioner contracts below forecast demand levels. ▪ Inability to reduce agency costs ▪ Continued increase in non-elective demand ▪ Growth in pay costs (NHSI Review) <p>If the Trust is becomes financially unstable this could lead to enforcement action from regulator. It may also have an impact on the quality of care provided due to inability to invest in service</p>	<ul style="list-style-type: none"> ▪ Annual Plan ▪ Robust operational planning process through new Divisional structures ▪ CIP steering Group ▪ Budgetary control ▪ Local counter fraud ▪ Core financial controls (e.g. payroll, cash, capital, credit control, etc) ▪ Business case appraisals ▪ Service line reporting ▪ Standing Financial Instructions, Standing Orders and Scheme of 	<ul style="list-style-type: none"> ▪ Performance dashboard ▪ Integrated Performance papers & minutes ▪ Operational Board papers and minutes ▪ Monthly Board report on activity and income, agency trajectory, CIP delivery ▪ Revised Financial Plan 2016/17 to deliver control total ▪ Robust 	<ul style="list-style-type: none"> ▪ Internal Audit – Combined Financial Systems ▪ External Audit opinion ▪ NCBC benchmarking ▪ Regulatory risk ratings ▪ Monitor review of Annual Plan ▪ Receipt of STF funding for Quarters 1 and 2 	<ul style="list-style-type: none"> ▪ Action plan to align SLR with ledger and deliver self-serve to management ▪ Improve adoption of SLR – 50% consultants utilising output by March 17 	<p>CW – Q3</p> <p>CW – Q4</p>	<p>4 x 3 =12 Possible</p>

Comment [LL22]: This action has slipped and focus has been on patient level costing and restructuring the finance team to enable improved business partner model with capacity to focus on SLR going forward. The 2017/18 BAF will emphasise new priorities around service transformation and improving the reliability of care for which SLR will be a key enabler

	<p>improvement.</p> <p>NB The Trust's 2016/17 original financial plan yields a £4.3m deficit primarily due to national tariff – delay to implementation of HRG4+ and specialist service top ups. A revised financial plan reflecting STF funding and agreed control total with increased financial gap has been produced – this will need to be delivered each quarter in accordance with agreed profile in order to secure release of STF – there are penalties attached to failure to meet the conditions</p>	<ul style="list-style-type: none"> Delegation Robust contract negotiation and monitoring process Head of PMO appointed and in post Head of Nursing (corporate) leading on coordination of flow work LTFM developed for financial forecasting Business Transformation Steering Group established 2016/17 Control total agreed Introduction of HRG4+ 1.4.17 	<p>financial forecasting reports generated from LTFM</p> <ul style="list-style-type: none"> Achievement of agency trajectory 				
3.2 LL	<p>Inability to meet the new requirements of the regulators – NHSI and CQC -</p> <p>could lead to the Trust being subject to enforcement action.</p> <p>FUTURE RISKS :</p> <p>i)The Trust has not yet reached agreement with NHSI on Control Totals set for 2017/18 and 2018/19;</p> <p>ii)A number of Governors will reach their maximum tenures in 2017 resulting in vacant seats and loss of skills / experience on CoG</p>	<ul style="list-style-type: none"> Constitution Organisational structure Board committee Structure BAF Policy Risk management strategy Operational Plan Commissioner contracts New Board dashboard to monitor indicators set out in Single Oversight Framework 	<ul style="list-style-type: none"> Annual Governance Statement Provider Licence checklist RTT Action Plan Operational Board papers and minutes Integrated Performance committee papers and minutes Quality 	<ul style="list-style-type: none"> Internal Audit – BAF review External audit opinion NHSI Segment 1 CQC rating – Outstanding (Sept 16) 	<ul style="list-style-type: none"> MIAA Review Well Led Framework Deliver action plan to address CQC findings and work towards 'outstanding' across all key lines of enquiry Work to agree realistic ('Stretch') 	<p>LL – Q4</p> <p>SP – Q4</p>	<p>3x4 = 12 Possible</p>

Comment [LL23]: Completed and closed – Management response / action plan to BoD April 17.

Comment [LL24]: CQC action plan update to March 17 Board – work is ongoing and will carry forward to 17/18 BAF with assurance on closure of outstanding actions scheduled for BoD review end of Q2 17/18

	If the Trust cannot recruit and retain the best staff and the required numbers / skill –mix, this may inhibit the Trust's ability to provide excellent patient care.	<ul style="list-style-type: none"> Divisional access to Athena to monitor KPIs Freedom to Speak Up Guardian and champions network 					
4.2 JTw	<p>Inability to promote and ensure effective leadership due to:</p> <ul style="list-style-type: none"> Inability to develop and embed leadership behaviours and management skills Inability to embed PACT Lack of talent management and succession planning Poor culture of innovation and improvement Inability to release staff <p>If the Trust is unable to secure effective leadership this will impact of staff morale and may inhibit the Trust's ability to provide excellent patient care</p>	<ul style="list-style-type: none"> Leadership Development Programme Staff performance appraisals and PDPs linked to PACT Staff induction and training Staff communications 	<ul style="list-style-type: none"> Workforce dashboard People Committee papers and minutes - 	<ul style="list-style-type: none"> National staff survey 	<ul style="list-style-type: none"> Deliver talent management and succession planning Develop and implement an improvement plan in response to 2016 staff survey results 	<p>JTw – Q4 and ongoing (People Committee)</p> <p>JTw Q4 and ongoing (People Committee)</p>	<p>3 x 3 = 9 Possible</p>
4.3 JTw	<p>Inability to educate and develop our people due to :</p> <ul style="list-style-type: none"> Lack of resources and skills to deliver education and training Inability to provide an excellent training experience – junior medical staff, other clinical staff and non-clinical staff Staff shortages <p>If the Trust is unable to provide excellent education, this could impact on its reputation as a tertiary centre of excellence and inhibit the Trust's ability to</p>	<ul style="list-style-type: none"> New HR / Workforce structure in place with senior leaders for education and development and OD Education and Training plan People Committee 	<ul style="list-style-type: none"> People Committee papers and minutes - 	<ul style="list-style-type: none"> HEE Report received Jan 17 	<ul style="list-style-type: none"> Deliver Education and Training Plan Demonstrate improvement in education experience via education scores for junior medical 	<p>JTw – Q1 and ongoing (People Committee)</p> <p>RAP / JTw – Q4</p>	<p>4 x 3 = 12 Possible</p>

Comment [LL31]: In progress – BAU –low risk - remove from BAF

Comment [LL32]: In progress - action plan to be reviewed at People Committee - BAU / low risk – remove from BAF

Comment [LL33]: Carry forward 2017/18 BAF

	recruit and retain the best staff. It could also impact upon patient safety if staff are not sufficiently skilled and competent to fulfil their roles.				and other staff groups		
4.4 JTw	<p>Inability to ensure engagement and wellbeing due to :</p> <ul style="list-style-type: none"> ▪ Lack of staff involvement in LiA ▪ Absence of an effective health and wellbeing priorities ▪ Failure to recognise and reward appropriately ▪ Poor engagement in pockets of the organisation <p>If the Trust is unable to ensure staff engagement and wellbeing this will impact of staff morale and may inhibit the Trust's ability to provide excellent patient care. It could also have an adverse impact on recruitment and retention.</p> <p>Enhanced risk in relation to the extent and pace of organisational change, including consolidation of back and middle office functions</p>	<ul style="list-style-type: none"> ▪ LiA process embedded ▪ Health and Wellbeing Strategy ▪ Health and Wellbeing Group ▪ Staff recognition scheme and annual awards event ▪ F&F Quarterly survey 	<ul style="list-style-type: none"> ▪ LiA pulse checks ▪ People Committee papers and minutes - ▪ Staff roadshows 	<ul style="list-style-type: none"> ▪ Staff survey – engagement score ▪ F&F quarterly survey results 	<ul style="list-style-type: none"> ▪ Monitor KPIs – no. staff involved in LiA; no. suggestions on ideas hub; LiA impact scores 	JTw – Q1 and ongoing (People Committee)	<p>3 x 3 = 9 Possible</p>

Comment [LL34]: Carry forward 2017/18 BAF

Comment [LL35]: Review KPIs on completion of review of People Strategy – Q1 17/18 – reflect in 2017/18 BAF

4.5 JTw	<p>Inability to deliver Equality and Diversity Strategy due to :</p> <ul style="list-style-type: none"> ▪ Lack of awareness of strategy and requirements ▪ Inability to recruit and develop a diverse but representative workforce ▪ Operational pressures and priorities <p>If the Trust cannot demonstrate promotion of diversity and inclusion, this could impact upon the Trust's reputation as an excellent employer and may pose a threat to compliance with CQC regulations.</p>	<ul style="list-style-type: none"> ▪ E&I Strategy ▪ E&I Steering Group ▪ Board training session ▪ Improved E&I training programme ▪ Athena dashboard available to Divisions ▪ Board succession plan reflects potential gap around diversity ▪ WRES data monitoring 	<ul style="list-style-type: none"> ▪ People Committee papers and minutes ▪ Operational Board – Divisional Reviews- BoD papers and minutes 	<ul style="list-style-type: none"> ▪ External evaluation of compliance with regulations ▪ CQC Report 	▪			<p>3 x 3 = 9 Possible</p>
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5 WORKING TOGETHER

To maintain and improve productive relationships and alliances with key stakeholders as effective and responsive partners in order to enhance the Trust's profile and reputation and thus secure LHCH clinical sustainability by:

- Delivering the Stakeholder Management Plan
- Engaging in the production of the 2016-2021 Sustainability and Transformation Plan
- Implementing Year 1 of fundraising strategy (£425k)

	Principal Risks preventing the Trust achieving strategic goals	Key controls	Board Assurance		Gaps in Control / Assurance	Action Who?/When?	Board Evaluation (impact x likelihood)
			Internal	External			
5.1 TW	<p>Inability to deliver stakeholder plan and engage effectively in health economy-wide STP 2016-2021 due to:</p> <ul style="list-style-type: none"> ▪ Inability to influence commissioners and engage key stakeholders strategy; ▪ Uncertainty around configuration of other providers ▪ Impact of external factors eg Healthy Liverpool Programme ▪ Impact of wider STF footprint ▪ Inability to recruit sufficient clinical expertise to support management of wider cardiology network. <p>As a result, the Trust may be unable to maintain and enhance its reputation as high quality provider of cardiothoracic healthcare services which in turn could lead to a loss of market share.</p>	<ul style="list-style-type: none"> ▪ Regular meetings with stakeholders, including commissioners ▪ Robust governance arrangements to support new models of care ▪ Annual plan ▪ Strategy for Cardiology ▪ Engagement at CEO level in Healthy Liverpool Programme and STP ▪ June 16 STP submission completed ▪ CVD Programme Board established 	<ul style="list-style-type: none"> ▪ Output from board strategy days ▪ CEO report on partnership updates ▪ Chair and CEO involvement in Liverpool Provider Groups ▪ Update on stakeholder engagement plan to BoD Dec 16 	<ul style="list-style-type: none"> ▪ KPMG strategic options appraisal report 	<ul style="list-style-type: none"> ▪ Timeframes to be established for delivery of early CVD projects 	TW – Q4	3 x 2 = 6 Unlikely

Comment [LL36]: Ongoing – BoD updated at each meeting – systems leadership work to be reflected in 2017/18 BAF

5.2 LL	<p>Inability to deliver the first year of the new Fundraising Strategy due to :</p> <ul style="list-style-type: none"> Failure to effectively promote the Charity and engage existing and new donors Reputational damage through poor application of policies and control processes <p>If the Trust is unable to deliver the first year of its strategy the benefits in relation to increased charitable funding and enhanced profile of the Trust will not be realised.</p>	<ul style="list-style-type: none"> Experienced Head of Fundraising in post New donor database with significantly improved functionality Policies, procedures and guidelines in place to govern fundraising activities Review of Etherington findings undertaken Charitable Funds Committee with strengthened membership Engagement in work of / best practice from Association of NHS Charities 	<ul style="list-style-type: none"> Charitable funds committee papers and minutes Reports to Board (/Corporate Trustee) Fundraising Strategy Clear Brand Suite of literature aligned to brand Spotlight Newsletter New website 	<ul style="list-style-type: none"> External Audit 	<ul style="list-style-type: none"> Limited opportunity to enhance presence of charity in public areas due to accommodation constraints – possible solution being explored 	<p>LL to keep under review</p>	<p>3 x 2 = 6 Unlikely</p>
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Comment [LL37]: Completed and closed – charity office re-location approved and in progress