

**Item 6.1a**  
**Board Assurance Framework 2014/15**

- Each area of the BAF is aligned to the delivery of the strategic goals set by the Board (i.e. achievement of 14/15 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

|        |            |        |        |
|--------|------------|--------|--------|
| Impact | 1x3 =3     | 2x3 =6 | 3x3 =9 |
|        | 1x2 =2     | 2x2 =4 | 3x2=6  |
|        | 1x1 =1     | 2x1 =2 | 3x1=3  |
|        | Likelihood |        |        |

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

| Delivering the highest quality, safest and best experience for patients and their families by providing reliable care by: <ul style="list-style-type: none"> <li>Achieving a cumulative average patient derived friends and family test net promoter score of 92 or more by March 2015</li> <li>Achieving a cumulative average family derived friends and family test net promoter score of 85 or more by March 2015</li> <li>Reducing avoidable harm by 10% by March 2015</li> </ul> |   |  |  |   |  |  |
|---|---|--|--|---|--|--|
|   | Principal Risks preventing the Trust achieving strategic goals  | Key controls   | Board Assurance  |   | Gaps in Control / Assurance  | Board Evaluation (impact x likelihood) |
|   |   |  | Internal   | External  |  |  |
| 1<br><br>SP   | Inability to achieve a Friend and Family test score of 92 or more due to: <ul style="list-style-type: none"> <li>insufficient staffing levels;</li> <li>lack of or ineffective Electronic Patient Records training for staff;</li> <li>inability to embed Care Partner work; and/or</li> <li>lack of capacity caused by poor workforce planning.</li> </ul> This could impact on the Trust's reputation as a provider of high quality care.   | <ul style="list-style-type: none"> <li>Trust values and vision</li> <li>Code of Conduct</li> <li>Staff performance appraisals</li> <li>Recruitment and Selection Policy</li> <li>Staff training programme</li> <li>Staff communications</li> <li>Quality impact assessments</li> <li>Patient Experience Strategy</li> </ul>  | <ul style="list-style-type: none"> <li>Performance dashboard</li> <li>Patient stories</li> <li>Nurse staffing levels</li> <li>Board walk rounds</li> </ul>   | <ul style="list-style-type: none"> <li>Friends and Family score</li> <li>Complaints and compliments</li> </ul>  | <ul style="list-style-type: none"> <li>Refresh Values following cultural survey</li> <li>Standardise Recruitment Strategy</li> <li>Refresh EPR training programme &amp; monitor effectiveness of it</li> </ul>   | <b>GREEN</b><br><br><b>1 x 2 = 2</b>   |
| 2<br><br>SP/<br>GNR   | Unable to reduce harm – infection, avoidable falls, mortality, pressure ulcers and medication errors by 10% due to: <ul style="list-style-type: none"> <li>increases in patient acuity;</li> <li>non-compliance by staff with Trust's policies &amp; procedures; and/or</li> <li>lack of or ineffective staff training;</li> <li>non-compliance with care bundles;</li> <li>lack of organisational learning from incidents</li> <li>lack of clear roles and responsibilities for staff leading to a lack of accountability</li> <li>medication errors in part caused by complexities of the pharmacy module of EPR</li> <li>increase prevalence of multi resistant organisms</li> <li>Risk of Ebola</li> </ul> This could lead to avoidable patient harm, financial | <ul style="list-style-type: none"> <li>Staff performance appraisals</li> <li>Revalidation</li> <li>Staff training programme</li> <li>Mortality reviews</li> <li>Risk management strategy</li> <li>Quality strategy</li> <li>Quality improvement policies and procedures (e.g. falls policy)</li> <li>Incident reporting &amp; root cause analysis</li> <li>Quality impact assessments</li> <li>Clinical audit</li> <li>Speak Out Safely</li> </ul> | <ul style="list-style-type: none"> <li>Performance dashboard</li> <li>Integrated Performance committee papers &amp; minutes</li> <li>Quality Committee papers and minutes</li> <li>IG toolkit</li> <li>Complaints and compliments report</li> <li>Internal staff survey</li> </ul> | <ul style="list-style-type: none"> <li>GMC reports</li> <li>Deanery reports</li> <li>Internal Audit – Performance Reporting</li> <li>Internal Audit – EPR review</li> <li>Internal Audit – CQC review</li> <li>Internal Audit – SUI review</li> <li>Clinical coding audits</li> <li>HI</li> </ul> | <ul style="list-style-type: none"> <li>Medium / long term strategy for infection prevention (multi resistant organisms)</li> <li>Winter preparedness Plan</li> <li>Data Quality / Information Strategy (including clarity over data quality accountability)</li> <li>Monitoring of training</li> </ul> | <b>AMBER</b><br><br><b>3 x 1 = 3</b>   |

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|             | penalties and reputational issues. In a worst case scenario, this could result in the Trust being subject to enforcement action from Monitor and/or the Care Quality Commission.  | <ul style="list-style-type: none"> <li>campaign</li> <li>Daily Safety Huddles</li> </ul>  | <ul style="list-style-type: none"> <li>Board walk rounds</li> <li>Quality report</li> <li>Clinical audit reports</li> </ul>          | <ul style="list-style-type: none"> <li>publication</li> <li>CQC reports</li> <li>Intelligent Monitoring Tool</li> <li>Advancing Quality Alliance</li> <li>Dr Foster benchmarking</li> <li>ICNARC</li> <li>External Pharmacy review</li> <li>National staff survey</li> <li>Monitor risk ratings</li> <li>No. and value of clinical negligence claims</li> </ul> | <ul style="list-style-type: none"> <li>effectiveness</li> <li>Implement Reliability of Care programme</li> <li>EPR pharmacy solution</li> <li>Staff appraiser training – delivering difficult messages</li> </ul>   |   |
| 3<br><br>LL | <p>Inability to declare full compliance against Monitor's corporate governance statements as a result of gaps or weaknesses in the Trust's governance arrangements.</p> <p>This could lead to the Trust being subject to enforcement action by Monitor.</p> | <ul style="list-style-type: none"> <li>Constitution</li> <li>Organisational structure</li> <li>Board committee strategy</li> <li>Risk management strategy (under review)</li> </ul> | <ul style="list-style-type: none"> <li>Corporate governance statements evidence pack</li> <li>Annual Governance Statement</li> </ul> | <ul style="list-style-type: none"> <li>Planned breach of RTT Q2, Q3, Q4 and Q1 2015/16 – action plan for sustainable compliance from Q2 sent to Monitor 31.3.15</li> <li>Self certification report</li> <li>Internal Audit</li> </ul>   | <ul style="list-style-type: none"> <li>Establish performance management system for RTT to monitor trajectory and impact of actions</li> <li>Risk management strategy review – Action plan in progress gaps in link between BAF and operational risk management</li> <li>Data quality</li> </ul> | <p><b>RED</b></p> <p><b>2x3 = 6</b></p> |

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|  |  |  |  | <ul style="list-style-type: none"> <li>– Governance review</li> <li>▪ Internal Audit</li> <li>– BAF review</li> <li>▪ External audit opinion</li> <li>▪ Independent review of governance arrangements</li> <li>▪ Monitor risk rating</li> </ul> | <ul style="list-style-type: none"> <li>strategy</li> <li>▪ Terms of reference review</li> <li>▪ Board skills audit</li> <li>▪ Succession planning</li> <li>▪ Evidence gaps</li> </ul> Review of governance arrangements to be undertaken Feb/March 2015 |  |
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| <b>To develop our service portfolio and business by expanding our current models of service and by developing innovative models of care underpinned by enhanced business systems by:</b> <ul style="list-style-type: none"> <li>▪ Improving market share in Merseyside – target 53.5% by March 2015;</li> <li>▪ Improving market share outside Merseyside – target 2.0% by March 2015</li> <li>▪ Implementing 3 innovative models of care by March 2015</li> <li>▪ Exceeding CRN target of no. patients recruited into research by 10% by March 2015</li> </ul> |  |  |  |  |   |  |
|---|--|--|--|--|---|--|
|   | Principal Risks preventing the Trust achieving strategic goals   | Key controls   | Board Assurance  |  | Gaps in Control / Assurance   | Board Evaluation (impact x likelihood) |
|   |  |  | Internal   | External   |   |  |
| 4<br><br>TW   | Unable to grow private patient income due to: <ul style="list-style-type: none"> <li>▪ Low growth in the private healthcare market;</li> <li>▪ Inability to market service offer to UK and international markets;</li> <li>▪ Cultural resistance to growing private patient income within the Trust; and/or</li> <li>▪ Lack of capacity</li> </ul> This may impact the Trust's ability to grow margin which in turn reduce the Trust's ability to invest and develop NHS services. | <ul style="list-style-type: none"> <li>▪ Investment policy</li> <li>▪ Business case appraisal</li> </ul> | <ul style="list-style-type: none"> <li>▪ Integrated Performance committee papers &amp; minutes</li> <li>▪ Trust Board paper &amp; minutes</li> <li>▪ Private patient income</li> </ul> |  | <ul style="list-style-type: none"> <li>▪ Feasibility study of international private patient market</li> <li>▪ Marketing strategy</li> </ul> | <b>GREEN</b><br><br><b>1 x 2 = 2</b>   |
| 5   | Unable to grow the Trust's market share because it fails to:   | <ul style="list-style-type: none"> <li>▪ Investment policy</li> <li>▪ Business case</li> </ul>           | <ul style="list-style-type: none"> <li>▪ Integrated Performance</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Stakeholder feedback</li> </ul> | <ul style="list-style-type: none"> <li>▪ Marketing strategy</li> </ul>  | <b>GREEN</b>                           |

31 March 2015

|         |  |   |   |   |  |                               |
|---------|--|---|---|---|--|-------------------------------|
| TW      | <ul style="list-style-type: none"> <li>become the primary provider of Adult Congenital Heart Disease services in the North West;</li> <li>successfully deliver single site Upper Gastrointestinal service</li> <li>retain and maintain Percutaneous Coronary Intervention market share</li> <li>grow market share in Southport &amp; the Wirral</li> </ul> <p>The Trust may not achieve the above due to:</p> <ul style="list-style-type: none"> <li>Inability to influence commissioning intentions;</li> <li>Lack of bed capacity;</li> <li>Lack of staffing;</li> <li>Lack of or ineffective marketing strategy;</li> <li>Inability to swiftly respond to national and local policy;</li> <li>Ineffective partnership arrangements leading to loss of management control;</li> <li>Inability to develop strategic alliances with other NHS providers;</li> <li>Inability to position itself ahead of the competition</li> </ul> <p>If the Trust is unable to maintain and grow its market share, the Trust may lose strategic opportunities that help the Trust to remain financially viable.</p> | <p>appraisal</p> <ul style="list-style-type: none"> <li>Regular meetings with key stakeholders</li> <li>Partnership governance arrangements</li> <li>Contract management</li> </ul> | <p>committee papers &amp; minutes</p> <ul style="list-style-type: none"> <li>Trust Board paper &amp; minutes</li> </ul> | <ul style="list-style-type: none"> <li>Dr. Foster market share data</li> <li>Internal Audit – Business case review</li> </ul> |  | 1 x 2 = 2                     |
| 6<br>TW | <p>Inability to successfully develop and implement new models of care including CF telemedicine and same day admission due to:</p> <ul style="list-style-type: none"> <li>Poorly developed vision and strategy for new models of care;</li> <li>Poor project management;</li> </ul> <p>This could result in the loss of strategic opportunity to develop higher quality, more efficient healthcare services</p>  | <ul style="list-style-type: none"> <li>Investment policy</li> <li>Business case appraisal</li> </ul>  | <ul style="list-style-type: none"> <li>Integrated Performance committee papers &amp; minutes</li> </ul>                 | <ul style="list-style-type: none"> <li>Stakeholder feedback (inc. patient and commissioner)</li> </ul>                        | <ul style="list-style-type: none"> <li>Telemedicine strategy and project management</li> <li>Same day admission strategy and project management</li> </ul> | <p>AMBER</p> <p>2 x 2 = 4</p> |

| <p>To maintain financial viability, enhance service delivery and develop new models of care to improve the health of our patients and safely reduce costs through our programme of transactional and transformational change by:</p> <ul style="list-style-type: none"> <li>Improving overall margin by 5.8% by March 2015</li> </ul> |  |   |   |  |  |   |
|---|--|---|---|--|--|---|
|   | Principal Risks preventing the Trust achieving strategic goals   | Key controls  | Board Assurance   |  | Gaps in Control / Assurance  | Board Evaluation<br>(impact x likelihood)   |
|   |  |   | Internal  | External   |  |   |
| 7<br><br>DJ/<br>TW /<br>MJ  | <p>Failure to improve the Trust's overall margin by 5.8% due to:</p> <ul style="list-style-type: none"> <li>Non-delivery of the cost improvement target;</li> <li>Competing quality priority may lead to additional cost pressures;</li> <li>Inability to improve patient flow;</li> <li>Inability to improve theatre utilisation;</li> <li>Decommissioning and/or loss of services to competitors; and/or</li> <li>Inability to realise benefits from Electronic Patient Records system.</li> </ul> <p>If the Trust is becomes financially unstable this could lead to enforcement action from Monitor. It may also have an impact on the quality of care provided due to inability to invest in service improvement.</p> | <ul style="list-style-type: none"> <li>Annual Plan</li> <li>CIP project management / governance</li> <li>Budgetary control</li> <li>Local counter fraud</li> <li>Core financial controls (e.g. payroll, cash, capital, credit control, etc)</li> <li>Business case appraisals</li> <li>Service line reporting</li> <li>Disaster recovery plan</li> <li>Standing Financial Instructions, Standing Orders and Scheme of Delegation</li> </ul> | <ul style="list-style-type: none"> <li>Performance dashboard</li> <li>Integrated Performance papers &amp; minutes</li> <li>Internal staff survey</li> <li>Quality Committee papers &amp; minutes</li> </ul> | <ul style="list-style-type: none"> <li>Internal Audit – Combined Financial Systems</li> <li>Internal Audit – IM&amp;T Business Continuity</li> <li>Internal Audit – workforce reviews</li> <li>External Audit opinion</li> <li>Independent review of CIP</li> <li>National staff survey</li> <li>Health Education England</li> <li>Deanery reports</li> <li>CQC reports</li> <li>NCBC benchmarking</li> <li>Monitor risk ratings</li> <li>Monitor</li> </ul> | <ul style="list-style-type: none"> <li>Improve benefits realisation / post-implementation review processes</li> <li>Improve workforce planning</li> <li>Improving patient flow project</li> <li>Utilisation management project</li> <li>PMO support to commence in October 2014</li> </ul> | <p><b>AMBER</b></p> <p><b>3 x 1 = 3</b></p> |

|  |  |  |  |   |  |  |
|--|--|--|--|---|--|--|
|  |  |  |  | <div>review of<br/>Annual Plan</div> <ul style="list-style-type: none"><li>▪ KPMG<br/>Finance<br/>Function<br/>review</li></ul> |  |  |
|--|--|--|--|---|--|--|

| <p><b>To be the best NHS Employer by 2019 with a demonstrable track record of motivating our high performing workforce by:</b></p> <ul style="list-style-type: none"> <li>▪ Improving staff advocacy scores from 4.2 to 4.4 out of 5 by March 2015</li> <li>▪ Improve recommendation as a place to work score from 75% to 90% by March 2015</li> <li>▪ Improve average turnover rate (between 1 year and 2 year) from 1.7% to 1.4%</li> <li>▪ Improve average recruitment time to hire from 170 days to 100 days by March 2015</li> <li>▪ Improve mandatory training compliance from 85% to 95%</li> <li>▪ Improve completed appraisal levels from 63% to 85% by March 2015</li> </ul> |   |  |   |   |   |   |
|--|---|--|---|---|---|---|
|  | Principal Risks preventing the Trust achieving strategic goals  | Key controls   | Board Assurance   |   | Gaps in Control / Assurance   | Board Evaluation<br>(impact x likelihood)   |
|  |   |  | Internal  | External  |   |   |
| 8<br><br>DF  | <p>Inability to attract and retain the best staff due to:</p> <ul style="list-style-type: none"> <li>▪ Poor staff engagement;</li> <li>▪ Lack of clear roles and responsibilities leading to lack of accountability;</li> <li>▪ Lack of or ineffective leadership development and talent management;</li> <li>▪ Staff feeling unable to speak out openly and honestly about issues; and/or</li> <li>▪ Lack of or ineffective performance appraisal</li> </ul> <p>Poor staff survey and staff FFT scores may indicate that the Trust does not have a high performing workforce. In turn, this may inhibit the Trust's ability to provide excellent patient care.</p> <p>Business interruption as a result of industrial action.</p> <p>Reduction in SHOs for surgical rota – immediate risk (Feb 15) and longer term risk (post August 15)</p> | <ul style="list-style-type: none"> <li>▪ Trust values &amp; vision</li> <li>▪ Code of Conduct</li> <li>▪ HR policies and procedures</li> <li>▪ Speak Out Safely campaign</li> <li>▪ Staff performance appraisals</li> <li>▪ Staff training</li> <li>▪ Staff communications</li> <li>▪ Staff induction programme</li> <li>▪ Health &amp; Safety arrangements</li> <li>▪ Staff listening events and actions</li> <li>▪ Response plans to manage industrial action</li> </ul> | <ul style="list-style-type: none"> <li>▪ Integrated Performance Committee dashboard</li> <li>▪ Staff FFT</li> <li>▪ Board walk rounds</li> <li>▪ Performance dashboard</li> <li>▪ Cultural survey</li> <li>▪ Quality Committee dashboard</li> </ul> | <ul style="list-style-type: none"> <li>▪ CQC reports</li> <li>▪ Independent governance review</li> <li>▪ National staff survey</li> <li>▪ ISAE 3402 report from payroll provider</li> <li>▪ Intelligent Monitoring Tool</li> <li>▪ MIAA audits and reports</li> </ul> | <ul style="list-style-type: none"> <li>▪ Leadership development / talent management programme</li> <li>▪ Improve workforce planning</li> <li>▪ Performance management of external contracts for payroll and occupational health</li> <li>▪ Workforce plan to manage reduction in SHOs and ensure business continuity</li> <li>▪ Robust education strategy to support medical</li> </ul> | <p><b>AMBER</b></p> <p><b>2 x 2 = 4</b></p> |



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|  |  |  |  |  | education |  |
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| <p>To develop 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:</p> <ul style="list-style-type: none"> <li>Improving NHS activity by 2% by March 2015</li> <li>Establish a baseline measure of willingness of stakeholders to recommend us by March 2015</li> </ul> |  |  |   |  |  |   |
|---|--|--|---|--|--|---|
|   | Principal Risks preventing the Trust achieving strategic goals   | Key controls   | Board Assurance   |  | Gaps in Control / Assurance  | Board Evaluation (impact x likelihood)      |
|   |  |  | Internal  | External   |  |   |
| 9<br><br>GNR  | <p>Inability to influence commissioners and engage key stakeholders due to:</p> <ul style="list-style-type: none"> <li>Lack of engagement strategy;</li> <li>Lack of feedback or not seen to respond to feedback;</li> <li>Lack of clear strategy and vision for the Trust</li> </ul> <p>There is also a risk that relating to the sustainability of the system wide cardiology service if the Trust is unable to recruit sufficient clinical expertise to support management of wider network.</p> <p>As a result, the Trust is unable to maintain and enhance its reputation as high quality provider of cardiothoracic healthcare services which in turn leads to a loss of market share.</p> | <ul style="list-style-type: none"> <li>Regular meetings with stakeholders, including commissioners</li> <li>Robust governance arrangements to support transfer of Upper GI service, ensuring patient safety and mitigating reputational risk</li> <li>Annual plan</li> </ul> | <ul style="list-style-type: none"> <li>Output from board strategy days</li> </ul> | <ul style="list-style-type: none"> <li>Stakeholder survey</li> <li>Commissioner feedback</li> <li>Independent advice on Engagement Strategy</li> </ul> | <ul style="list-style-type: none"> <li>Strategic options appraisal</li> <li>Engagement Strategy</li> <li>PR strategy</li> <li>SLA with RLUBHT to ensure effective governance of Upper GI service</li> <li>Recruitment of clinical expertise to support system wide cardiology service</li> </ul> | <p><b>AMBER</b></p> <p><b>3 x 1 = 3</b></p> |