

NORTHUMBERLAND, TYNE AND WEAR NHS FOUNDATION TRUST

BOARD OF DIRECTORS

Meeting Date: 27 April 2016

Title and Author of Paper: Quarter 1 Board Assurance Framework and Corporate Risk Register
Lisa Quinn Executive Director of Commissioning and Quality Assurance

Paper for Debate, Decision or Information: Decision

Key Points to Note:

- The Board Assurance Framework and Corporate Risk Register was the subject of a significant review during 2015 with a redesigned format, incorporating recommendations from the Well Led Governance Review, being presented to the Quality and Performance Committee and the Board in February 2016.
- The Trust has now submitted to Monitor its Operational Plan 2016/17 which identifies a number of risks. Internal Audit have also made some comments on the redesigned Board Assurance Framework and Corporate Risk Register. The Corporate Decisions Team have therefore reviewed the Board Assurance Framework and Corporate Risk Register in the light of:
 - The risks which are highlighted in the Operational Plan 2016/17;
 - The comments made by Internal Audit.
- The paper attached outlines the changes made to the Board Assurance Framework and Corporate Risk Register to address these together with other changes recommended by the Chief Executive/Executive Directors. The paper also identifies the current red risks which feature on the Groups and Corporate Directorates Risk Registers, as recommended by Deloitte.

Outcome required:

The Board to note the Quarter 1 Board Assurance Framework and Corporate Risk Register and the Group and Corporate Directorate's current red risks.

Quarter 1 Board Assurance Framework and Corporate Risk Register

Purpose

The Board Assurance Framework and Corporate Risk Register was the subject of a significant review during 2015 with a redesigned format, incorporating recommendations from the Well Led Governance Review, being presented to the Quality and Performance Committee and the Board in February 2016. The redesigned format was well received by members of Q and P and the Board and has subsequently been shared with the Trust’s Internal Auditors who suggested some further refinements. The Trust has also now submitted its final Operational Plan 2016/17 to Monitor and it is therefore timely to review the Board Assurance Framework and Corporate Risk Register in the context of the risks highlighted in the Trust’s Operational Plan 2016/17 and Internal Audit’s comments.

1. Operational Plan 2016/17 Risks

The Trust’s Operational Plan identifies a number of risks, primarily financial risks. The Table below identifies those risks identified and where the Corporate Decisions Team have agreed:

- i) the specific risks are already covered by an existing risk in the Board Assurance Framework and Corporate Risk Register;
- ii) where the specific risks best sit in the Group/Directorate Risk Registers, subject to the Groups escalating those risks if they can no longer manage them locally.

Operational Plan 2016/17 Risk	Existing Risks in Board Assurance Framework/Corporate Risk Register	Add to Group/Directorate Risk Register
Slippage, delays and non-achievement of the Financial Delivery Programme	SO2.2 That we do not manage our financial resources effectively to ensure long term financial stability (incl differential between income and inflation, impact of QIPP and the CIP.	
Managing significant service delivery and financial pressures across community CYPS services		Yes-Specialist Services Group

Managing significant financial implications arising from Learning Disability Transforming Care National Programme		Yes- Inpatient Services Group and Specialist Services Group
NHS England strategy to tender and consolidate services	SO2.1 That we have significant loss of income through competition and choice, including the possibility of losing large services and localities.	
Outcome of the Newcastle and Gateshead Alliance CCG public consultation on specialist mental health inpatient services for Newcastle and Gateshead (estates solution, timing issues, availability of capital, impact on FDP)	SO2.2 That we do not manage our financial resources effectively to ensure long term financial stability (incl differential between income and inflation, impact of QIPP and the CIP. SO1.5 That we do not effectively develop and manage the capital development programme, including generating capital and controlling expenditure, in order to deliver 1 st class environments.	
Failure to meet CQIN Targets	SO2.7 That we do not meet compliance and Quality Standards.	
Failure to manage occupancy rates under cost and volume contracts		Yes- Inpatient Services Group and Specialist Services Group
Failure to deliver service specifications within the negotiated prices for Children's Secure Services and Neuro-disability services		Yes- Specialist Services Group
Managing risks from Out of Area Placements on behalf of Northumberland, North Tyneside and other CCGs.	SO2.2 That we do not manage our financial resources effectively to ensure long term financial stability (incl differential between income and inflation, impact of QIPP and the CIP.	
Risks around funding for Out of Area activity from outside the local area	SO2.2 That we do not manage our financial resources effectively to ensure long term financial stability (incl differential between income and inflation, impact of QIPP and the CIP.	
Availability of capital funding	SO1.5 That we do not effectively develop and manage the capital development programme, including generating capital and controlling expenditure, in order to deliver 1 st class environments.	

2. Internal Audit Comments

The Table below identifies refinements made to the updated Board Assurance Framework and Corporate Risk Register attached in the light of the comments from Internal Audit.

Internal Audit Comments	Changes made to the Board Assurance Framework/Corporate Risk Register
Include the individual clinical audits which provide assurance against the risks highlighted in the Board Assurance Framework/Corporate Risk Register.	Clinical audits linked to the Board Assurance Framework which provide assurance have now been included.
Where actions have been identified to address gaps in control include timescale.	It has been made clearer that those actions identified to address gaps in control will be completed in 2016/17.
With regard to the risk ratings, the impact seems to change on some objectives.	This is due to changes in risks due to external environment factors. A note to this effect has been added to the appropriate risks.
There are some objectives where the residual risk and target risk are the same yet there are actions identified under gaps in control which should improve controls and therefore lessen the likelihood and overall risk score.	Where appropriate changes have been made.
For some objectives there is a target risk of 0, with no impact or likelihood score included.	This has been addressed.
The controls and mitigation do not appear to be mapped to the assurance/evidence.	This has been addressed.

3. Other changes

The following amendments to the Board Assurance Framework and Corporate Risk Register reviewed by the Board in February 2016 have also been made, as recommended by the Chief Executive and the Director of Finance/Deputy Chief Executive.

Principal Risk	Changes made to the Board Assurance Framework
SO2.1 That we have significant loss of income through competition and choice, including the possibility of losing large services and localities.	Reduction in likelihood of target risk ie 5X2
SO3.1 That we do not effectively manage significant workforce and organisational changes, including increasing staff productivity and staff engagement	Reduction in likelihood of target risk ie 5X2
SO3.3 That we are unable to recruit and retain staff in key posts	Reduction in likelihood of target risk ie 4X3
SO5.6 The risk that high quality, evidence-based and safe services will not be provided if there are difficulties in accessing services in a timely manner and that services are not sufficiently responsive to demands	Reduction in impact of target risk ie 4X3 Additional assurances added eg Operational Plan 2015/16 reviewed by Monitor and no concerns. Gaps in control added eg process re providing assurance to the Board re delivery of Annual Plan and Strategy and scrutiny by Monitor of Operational Plan 2016/17
SO5.9 That the scale of change and integration agenda across the NHs could affect the sustainability of services and Trust financial position.	Risk on identification higher impact and less likelihood ie 5X3 Target risk 4X3

Corporate Risk	Changes made to the Corporate Risk Register
<p>SO1.5</p> <p>That we do not effectively develop and manage the capital development programme, including generating capital and controlling expenditure, in order to deliver 1st class environments.</p>	<p>The risk of availability of capital has increased significantly given the restrictions in capital funding announced. Risk increases to 5X3.</p> <p>The increase in risk is however due to circumstances beyond our control.</p>
<p>SO4.1</p> <p>That we do not deliver effective Trust-wide communication and involvement</p>	<p>Residual risk impact reduced ie 3X3 Target risk impact also reduced ie 3X2</p>
<p>SO4.2</p> <p>That we do not effectively communicate with and involve service users and carers</p>	<p>Risk on identification likelihood increased ie 4X3 Residual risk likelihood increased ie 4X3 Added into assurance/evidence reference to the work on Triangle of Care, Carers Champions and Quality Priority.</p>

4. Group and Corporate Directorate's red risks

The Group and Corporate Directorate's Risk Registers on Safeguard currently identify the red risks in the Table below. Controls and Actions to reduce the risk to the target risk are identified in their Registers.

Group Risk	Risk	Speciality	RAG Rating	Target Risk
Inpatient Care Group				
Operational	The available number of qualified nursing staff within some of the inpatient care wards remains less than the clinical optimum in terms of experience, gender and head count	In patient services-All	High (Red) 5X4 20	Very Low (Green) 2X2 4
Adult Mental Health				
Operational	Some units are not purpose built to modern mental health standards. Some units are not owned by NTW limiting the ability to make necessary structural changes. Need to identify long term strategy for the provision of acute inpatient facilities in Newcastle and Gateshead	Adult Mental Health Services Directorate	High (Red) 5X4 20	Very Low (Green) 2X1 2
Specialist Care Group				
Finance	SCG require to make transformation contribution. Plans in place for 2015/16 contributions reflected in FDP.2016/17 plans in development.		High (Red) 5X4 20	Moderate (orange) 5X3 15
CYP DMG				
Human Resources	Problems with recruitment and retention of Band 5 (IP) and Band 6 nursing staff (Community)	Directorate	High (Red) 5X4 20	Low (Yellow) 3X3 9
Finance	Commissioning and Bed Occupancy Arrangements for Alwood. Current bed occupancy levels are 90% however at times due to patient safety issues it is not possible to achieve this. This brings a shortfall in income for Alwood which results in a pressure.	Directorate CYP LD Tier 4 Forensic Medium	High (Red) 5X4 20	Low (Yellow) 3X3 9

At the Risk Management Sub Group on the 11th April the Group representatives agreed to review their Registers for consistency across the Groups. The Risk Management Sub Group have also agreed that, as a part of the ongoing review of the Board Assurance Framework, Corporate Risk Registers and Group/Directorate Risk Registers, the Sub Group will collectively review the Group Risk Registers at its next meeting in May.

5. Recommendation

The Board to note the Quarter 1 Board Assurance Framework and Corporate Risk Register and the Group and Corporate Directorate's red risks, as recommended by Deloitte.

Lisa Quinn
Executive Director of Commissioning and Quality Assurance
20 April 2016