

**UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST**  
**BOARD OF DIRECTORS**  
**THURSDAY 26 JULY 2018**

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| <b>Title:</b>                              | <b>BOARD ASSURANCE FRAMEWORK QUARTER 1 2018/19</b>  |                        |
| <b>Responsible Director:</b>               | David Burbridge, Director of Corporate Affairs  |                        |
| <b>Contact:</b>                            | Berit Reglar, Deputy Foundation Secretary<br>Peter Moon, Corporate Risk Lead  |                        |
| <b>Purpose:</b>                            | To provide the Board with the high level risks within the context of the Board Assurance Framework (BAF).   |                        |
| <b>Confidentiality Level &amp; Reason:</b> | None  |                        |
| <b>Medium Term Plan Ref:</b>               | Annual Plan   |                        |
| <b>Key Issues Summary:</b>                 | <p>The Director of Corporate Affairs has met with Executive Team Directors to consider and agree the strategic risks in relation to the enlarged Trust. This included a review of historical risks from the QE/HGS BAFs to confirm whether they still applied to the Trust.</p> <p>The controls for each of the strategic risks and the assurance provided have also been agreed with Executive Team Directors and this is reflected in the updated BAF (Appendix A – Board Assurance Framework Q1 2018/19).</p> <p>Updates on each of the strategic risks are provided by the respective Executive Team Directors.</p> |                        |
| <b>Recommendations:</b>                    | <p>The Board of Directors is asked:</p> <ol style="list-style-type: none"> <li>1. <b>To note</b> the updates to the strategic risks;</li> <li>2. <b>To approve</b> the Board Assurance Framework.</li> </ol>  |                        |
| <b>Signed:</b>                             | David Burbridge   | <b>Date:</b> July 2018 |

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**BOARD ASSURANCE FRAMEWORK**

**1. Introduction**

- 1.1. The Director of Corporate Affairs has met with Executive Team Directors to consider and agree the strategic risks for the enlarged Trust. This included a review of historical risks from the QE/HGS BAFs to confirm whether they still applied to the Trust.
- 1.2. The controls for each of the strategic risks and the assurance provided have also been agreed with Executive Team Directors and this is reflected in the updated BAF (Appendix A).

**2. Strategic Risk Register**

2.1. The strategic risks for the Trust have been agreed as follows:

| Reference | Risk   | Owner            | Initial (LxC) | Current (LxC) | *Target (LxC) |
|-----------|--|------------------|---------------|---------------|---------------|
| SR1/18    | Financial deficit significantly in excess of planned levels  | CFO              | 20<br>(5x4)   | 9<br>(3x3)    | 6<br>(2x3)    |
| SR2/18    | Cashflow affects day to day operations of Trust  | CFO              | 15<br>(5x3)   | 12<br>(4x3)   | 6<br>(2x3)    |
| SR3/18    | Failure to meet operational performance targets  | COO (QE and HGS) | 25<br>(5x5)   | 20<br>(5x4)   | 9<br>(3x3)    |
| SR4/18    | Increasing delays in transfer of care from UHB sites in excess of agreed targets                                     | DoP              | 25<br>(5x5)   | 20<br>(5x4)   | 9<br>(3x3)    |
| SR5/18    | Unable to meet requirements of staffing model  | EDWI/CN          | 20<br>(5x4)   | 16<br>(4x4)   | 12<br>(3x4)   |
| SR6/18    | Regulatory action  | DCA              | 16<br>(4x4)   | 12<br>(3x4)   | 4<br>(1x4)    |
| SR7/18    | Failure of IT systems to support clinical service and business functions   | MD               | 25<br>(5x5)   | 6<br>(3x2)    | 4<br>(2x2)    |
| SR8/18    | Adverse impact of BREXIT on Trust innovation agenda  | EDWI             | 16<br>(4x4)   | 12<br>(4x3)   | 8<br>(4x2)    |
| SR9/18    | In-patient infections significantly in excess of agreed national levels  | CN               | 25<br>(5x5)   | 4<br>(2x2)    | 4<br>(2x2)    |
| SR10/18   | Failure of commercial ventures   | EDSO/DCA/CFO     | 20<br>(4x5)   | 6<br>(2x3)    | 6<br>(2x3)    |
| SR11/18   | Merger has adverse effect on new Trust   | EDSO/DCA         | 20<br>(4x5)   | 9<br>(3x3)    | 6<br>(2x3)    |
| SR12/18   | Unable to maintain and improve quality and quantity of physical environment to support the required level of service | EDSO             | 25<br>(5x5)   | 16<br>(4x4)   | 9<br>(3x3)    |

- **Initial Score** – The risk score with no controls (likelihood x consequence)
  - **Current Score** – The risk score taking into account the controls that have been applied (likelihood x consequence)
  - **Target Score** – The risk score that reflects an acceptable score for the risk.
- \*This is currently a proposal by the risk owner and will be considered and agreed by the Board of Directors to reflect their risk appetite.

### 3. Board Assurance and Strategic Risk Updates

3.1 The strategic risk register and the BAF are reviewed each quarter to ensure that they reflect the current risks and the sum of assurance for the Trust.

3.2 The uncertainty around BREXIT has been considered in the following risks:

- SR1/18 – Financial deficit significantly in excess of planned levels
- SIR/18 – Cash flow affects day to day operations of the Trust
- SIR/18 – Unable to meet requirements of staffing model
- SR8/18 – Adverse impact on Trust innovation agenda

3.3 Updates provided by the risk owners are as follows:

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| <b>SR1/18</b>  | <b>Financial deficit significantly in excess of planned levels</b> |
| <b>Owner - CFO</b>   |  |
| <b>Update:</b><br>The Trust is on track to deliver the agreed deficit of £3M. The Trust has reported under achievement of CIP savings along with further operational cost pressures at Month 2. This is being covered by non recurrent gains and provisions. |  |

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| <b>SR2/18</b>   | <b>Cash flow affects day to day operations of Trust</b> |
| <b>Owner - CFO</b>  |   |
| <b>Update:</b><br>Trust cash balances remain strong remains on plan. Cash management measures are discussed in weekly cash meetings.<br><br>A working capital loan has been agreed in principal. Measures are already in place to meet requirements for this as and when required.<br><br>EY actions and recommendations have been implemented, however further work is required. |   |

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| <b>SR3/18</b>  | <b>Prolonged and/or substantial failure to meet operational performance targets.</b> |
| <b>Owner - COO (QE and HGS)</b>  |  |
| <b>Update:</b><br>Divisions continue to implement the revised capacity requirements. The plans are reviewed on an ongoing basis and cross divisional actions are monitored at the fortnightly Operational Delivery Group.<br><br>Actions within the Integrated Performance Report continue to be implemented to enable the Trust to meet the trajectory agreed with the commissioners, they are: <ul style="list-style-type: none"> <li>- % patients waiting 4 hours or less in A&amp;E.</li> <li>- Cancer Waiting Times - 62 day GP target - a commissioner's remedial action plan is in place which has improved Trust internal performance. The remaining risk relates to the tertiary pathway.</li> <li>- Last minute cancellations and the 28 day cancelled operations guarantee.</li> <li>- 18 week RAT - three areas perform below the 92% standard - recovery plans in are in place for these areas.</li> <li>- Continued implementation of the seamless surgery project.</li> <li>- The NHS contract now requires all GP routine speciality referrals to be accepted. The Trust has experienced significant demand introducing the</li> </ul> |  |

new process. Referral volumes from CCGs are monitored on a monthly basis via the Contracts team and any material movements are raised with respective CCGs.

- The Trust has given notice to Providers and Commissioners that it will no longer be accepting referrals from out of Birmingham into particular specialist areas. These include breast reconstruction and bone marrow transplants

A number of national operational performance targets at HGS continue to be delivered with the exception of Emergency Care Access Standard (4hrs) and RTT (18 weeks). The actions contained within the relevant Improvement Groups continue to be worked through and progress is being made as can be evidenced by recent performance data in the IPR. This is despite continued rise in demand. Winter pressures and its associated impact on access and performance presents a risk to this progress being sustained however the development of the 18/19 winter plan will mitigate this risk.

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| <b>SR4/18</b>   | <b>Increasing delays in the transfer of care from UHB sites in excess of agreed targets.</b> |
| <b>Owner - DOP</b>  |  |
| <b>Update:</b>  |  |
| <p>The availability of additional social care funding via the iBCF and joint working between social care, health commissioners and providers has supported an improvement in social care DTOC performance over the winter period.</p>   |  |
| <p>Schemes agreed previously relating to Birmingham City Council and Solihull MBC have been rolled over into 2018/19 with additional schemes currently being developed. In terms of additional schemes for Birmingham these predominately will relate to work being undertaken on Early Intervention by the STP which will see the commencement of a significant redesign of health and social care services for older people in September 18. Redesign work will start in South Birmingham before being rolled out across the rest of Birmingham during the 12 month work programme. This work is in response to the system diagnostic project that was completed with Newton Europe during the summer of 2017 and the patient experiences presented through the 'Phyllis' theatre production. The findings from the diagnostic project were supported by the CQC following their review of the level of integration of health and social care for older people in January 2018.</p> |  |
| <p>A proposed new model for early intervention for older people in crisis was approved by the STP Board in February 2018. It is essential that we transform our current service model (which is over reliant on a large institutional bed base) as 2019/20 will see a large reduction in the iBCF – the last year of this additional funding stream.</p>  |  |
| <p>Health delays are also a major contributor to DTOCs and this is a particular issue at HGS. A systems working group has been established to review current processes and the CCG have recently appointed a new Commissioning Support Unit to reduce delays relating to Continuing healthcare assessment, funding approvals and care home placements.</p>  |  |
| <p>DTOCs performance is presented at the BSOL A&amp;E Delivery Board. This is chaired by the UHB Chief Executive.</p>   |  |

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| <b>SR5/18</b>  | <b>Unable to meet requirements of staffing model</b> |
| <b>Owner - EDWI</b>  |  |
| <b>Update:</b>   |  |
| <p>2018/19 Workforce planning return submitted to NHSI/HE. Audit Committee requested assurance of mitigation plans for the published national workforce shortages. Paper taken</p> |  |

to Committee in March 2018 with further assurance updates requested on an ongoing basis. Bi-monthly Divisional education meetings to discuss workforce challenges, vacancies, service changes

Strategic Workforce Group provides oversight across all workforce disciplines and receives reports from the established workforce subgroups across nursing, junior doctors, health care scientist and operational workforce group. The group continues to set the strategic direction for the initiation and implementation of workforce priorities to enable the Trust to meet its service priorities. The group is fully sighted on the current and potential future risk areas, current workforce performance against plan and oversight around the introduction of new roles and the annual workforce planning process.

The Divisional Director of Medical Education at HGS will lead on the Non-Medical Medical Workforce Group to manage the governance of the non-medical workforce e.g. Physicians Assistants.

Future workforce risks have been identified and form part of the discussions with the Birmingham and Solihull Education Reform Group. Diagnostic and Therapeutic radiography are felt to be key risk areas and as such the Trust is leading on the national trail blazer to develop a degree apprenticeship in partnership with 15 other Trusts.

The Task and Finish Group for Operational Divisions will work towards identifying cross divisional recruitment during July-Sept. Recommendation at this time is for no target to be applied until a wider range of apprenticeship programmes have been established.

Purchasing of the Junior Doctor Allocate system will make it easier to identify rota gaps and monitoring. Funding for this has been agreed.

A Locum App 'Swift Locum' has been trialled and was successful. This will be rolled out across the enlarged Trust to cover shifts for Doctors.

There is an ongoing communication campaign around Agenda for Change pay and enhancements.

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| <b>SR6/18</b> | <b>Regulatory action</b> |
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**Owner - DCA**

**Update:**

The Clinical Compliance Framework has been implemented within specialties as a way to provide assurance that areas are meeting the CQC's Key Lines of Enquiry (KLOE's). The clinical compliance framework is focused on looking at a specialty as a whole, incorporating all areas of performance (e.g. wards, OPD, clinical outcome measures). The measures in the framework have been put together from the CQC Fundamental Standards and KLOE's, which are reviewed and updated annually.

Specialties have the opportunity to self-assess annually, which is then validated and assessed on a quarterly basis by the Clinical Compliance Team. The Clinical Compliance Framework has been implemented for all agreed specialties within QEHB Divisions. Compliance with the Framework is reported to the Director of Corporate Affairs Governance Group and Divisional Care Quality Groups/speciality to address any outstanding actions from Action Plans. The compliance framework will be rolled out to HGS Divisions, phase 1 will be completed by August 2018.

A Corporate Compliance Framework is currently being developed in conjunction with the Executive Team. The framework's purpose is to enhance the Trust's monitoring activity and provide enhanced assurance that required actions are being carried out by those responsible, and to alert/escalate appropriately if they are not. It will also include actions from regulatory inspections. Where appropriate, items in the framework will feed into risk registers and will also interact with the Clinical Compliance Framework.

The Information Governance Team has carried out significant work to reflect changes as set out in the General Data Protection Regulation and the Data Protection Act 2018. This work has tightened up processes to support compliance.

The Trust's Health and Safety team continue to provide support and guidance in relation to health and safety and workplace issues. A scheduled program of local health and safety assessments is undertaken across all areas of the Trust. The team also serves as the point of contact for the Health and Safety Executive, facilitating any visits, monitoring actions and reporting progress.

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| <b>SR7/18</b>  | <b>Failure of IT systems to support clinical services and business</b> |
| <b>Owner - MD</b>  |  |
| <b>Update:</b>   |  |
| <p>The maturity of our systems and capabilities of our people is constantly improving. Day to day resilience is in place providing robust management of the data through regular data backups, rigorous security controls and resilient systems, there may be gaps in our ability to provide resilience should we lose the Data Centre which is operating at capacity levels. Kings Norton has been identified as the location for a Secondary Data Centre. The design specification has been completed and is now with the Procurement team to undertake the tendering process.</p> <p>Certification under ISO 9001 and ISO 27001 is maintained with one new non-conformance, for security reporting within the department there are currently 16 non-conformances from ISO audits). The department's audit schedule non-conformance was declared compliant.</p> <p>Testing of IT business plans, including major incident testing, has taken place. Validation of systems through major incident testing with external stakeholders. ASSIISO 9001/27001 Surveillance Audits continue as per ISO certification process. Assurance regarding Cybersecurity preparedness is provided to Audit Committee.</p> <p>Emergency Planning Steering Group (EPSG) reviews all the relevant risks and actions. All critical systems have been identified and internal testing through table top exercises has been carried out and reported back to EPSG.</p> <p>Change Advisory Group lead by Clinicians meets weekly to review all change requests.</p> <p>The implementation of PICS at HGS sites is within the work plan and could take several years for full installation. It is important that interim arrangements are confirmed to avoid any weaknesses in controls.</p> |  |

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| <b>SR8/18</b>  | <b>Adverse impact of Brexit on Trust's innovation agenda</b> |
| <b>Owner - EDWI</b>  |  |
| <b>Update:</b>   |  |
| <p>A paper was presented to the Board of Directors regarding research issues. The Trust has identified all current EU staff. 1-1 assistance being offered to provide advice on applications for UK residency/citizenship for affected staff.</p> <p>For Research Funding:</p> <ul style="list-style-type: none"> <li>• assessment of current EU funding has been completed,</li> <li>• Monitoring against any new bids,</li> <li>• Submissions for new EU grants need Executive Director approval.</li> </ul> <p>There will also be future potential impacts on the MD-TECH and Innovation Engine projects as a result of Brexit since the Trust may not be part of these post-Brexit.</p> |  |

The Academic Health Science Network (AHSN) is involved in the EU-wide EIT Health programme. While NHS England has committed to the long term future of England's AHSNs, there is uncertainty caused by BREXIT as to EU-wide collaboration which may impact on the reputation and attractiveness of the AHSN.

There is a risk that Brexit also introduces uncertainty as to the future of medical trials. It may be that it is preferable for companies to concentrate on a European market through the European Medicines Agency and not seek approval for new medicines in the UK. This could introduce delays to new drugs for patients and increased procurement costs.

Rare diseases research is particularly vulnerable because of the small numbers of patients appropriate for trials.

The relaxation of the Tier 2 visa rules, which come into effect after 5 July 2018, will see all applications for doctor and nurse posts exempt from the Tier 2 visa cap.

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| <b>SR9/18</b>   | <b>In-patient infections significantly in excess of agreed national levels</b> |
| <b>Owner - CN</b>   |  |
| <p><b>Update:</b><br/> <u>Surveillance</u><br/>           Q4 17/18 update; the year showed an increase in cases with 38 so far.</p> <p><u>MRSA</u><br/>           All actions have been completed in the MRSA action plan that is reported to the CCG. No MRSA bacteraemia cases apportioned to the Trust have been reported for Q1, Q2 Q3 or Q4.</p> <p><u>Norovirus</u><br/>           Q4 17/18 Norovirus for 2017/18: 8 wards closed and 6 bays closed with norovirus plus 2 cases of influenza.</p> <p><u>C Diff:</u><br/>           Q4 17/18; During Q4 there have been 3 outbreaks of C. difficile infection reported plus 3 further outbreaks of D&amp;V. Target: rate 17.3 or 63 cases. Actual cases: rate 13.1 or 76 cases; these remains within trajectory.</p> |  |

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| <b>SR10/18</b>  | <b>Failure of commercial ventures</b> |
| <b>Owner – EDSO/DCA/CFO</b>   |                                       |
| <p><b>Update:</b><br/>           The Executive Director of Strategic Operations continues to provide updates to the Investment Committee on the progress of existing projects as well as any identified future opportunities.</p> <p>MoU's have been drafted for international fellowships based on the Trust template. These are also signed off by the DCA for consistency.</p> <p>Executive Board discussed developments re internal relationships. Identification of opportunities and clarification of areas to pursue continues. This incorporates a review of operational activity and provides recommendations to improve working practices to strengthen services provided. A Strategic Operational Group is in place to review these.</p> <p>Risk Assessments are carried out for all international ventures.</p> |                                       |

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| <b>SR11/18</b>   | <b>Merger has adverse effect on new Trust</b> |
| <b>Owner – EDSO/DCA</b>  |   |
| <p><b>Update:</b><br/> The Closing Report for the Case for Change will be presented to the Board in July.</p> <p>Risks associated with the Case for Change have been incorporated into BaU. A Strategic Operations Steering Group (SOSG) has been set up to review risks of the merger which may have an adverse effect on the Trust.</p> <p>The SOSG will monitor all Finance/Procurement risks which have been assigned to the Executive Chief Financial Officer, and all Workforce/Culture risks which have been assigned to the Executive Director of Workforce and Innovation.</p> <p>Long-term financial plans have been developed for the enlarged Trust. These have been reviewed and tested by external advisors (EY) and by NHSI and have been presented to the Board along with downside scenarios and potential mitigation actions. These plans are being updated on an ongoing basis to reflect the current trading performance of the Trust.</p> <p>An away day was attended by Divisional Directors and Heads of Nursing to develop the strategies for the enlarged Trust. This was followed up with an away day for CSL's, Matrons and General Managers to further develop the Strategies.</p> |   |

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| <b>SR12/18</b>  | <b>Unable to maintain and improve the quality and quantity of physical environment to support required level of service</b> |
| <b>Owner – EDSO</b>   |   |
| <p><b>Update:</b><br/> An Estates Strategy and workforce model has been developed to review the existing Estates of the Trust. Current projects include:</p> <ul style="list-style-type: none"> <li>• ACAD (BHH) Funding has been agreed for the preparatory work</li> <li>• Partnership Learning Centre and Education Centre (GHH)</li> <li>• Sheldon Block (GHH)</li> <li>• Solihull Haematology and Oncology Day Unit opened May 2018 (SH)</li> <li>• Heritage Building (QEHB)</li> <li>• Nuffield House (QEHB)</li> </ul> |   |

#### **4. Recommendations**

The Board of Directors is asked:

**4.1 To note** the updates to the strategic risks;

**4.2 To approve** the Board Assurance Framework.