

REPORT TO:	BOARD OF DIRECTORS AS PRESENTED AT INTEGRATED AUDIT AND GOVERNANCE COMMITTEE (IAGC)
DATE:	29 JANUARY 2018
SUBJECT:	BOARD ASSURANCE FRAMEWORK AND ANNUAL PRIORITIES 2017/19: QUARTER 3
BOARD SPONSOR:	TRUST SECRETARY
PAPER AUTHOR:	TRUST SECRETARY
PURPOSE:	DISCUSSION
APPENDICES	APPENDIX 1: BOARD ASSURANCE FRAMEWORK APPENDIX 2: Q3 PERFORMANCE AGAINST THE ANNUAL PRIORITIES 2017/18

BACKGROUND AND EXECUTIVE SUMMARY

The Board agreed its 2017/18 annual priorities at the April 2017 meeting. As part of good governance the Board Assurance Framework should be reviewed on a quarterly basis. The full Board Assurance Framework is provided as Appendix 1. As part of this review the following elements are highlighted and the detail is provided as Appendix 2 (colour coding relates to the appendix):

- Risk to the annual priorities – these are contained within the Strategic Risk Register with each risk being aligned with the annual priority it impacts;
- Assurance – there are two ways to look at assurance – the first relates to the level of information going to the Board for discussion so that Board members' are fully sighted on the topic; the second relates to what that assurance shows, for example and audit report may provide positive or negative assurance;
- Performance – each of the annual priorities have a number of objectives and associated metrics and quarterly reporting will show whether the quarter target was met or completed (blue); on track but there is no specific quarterly numeric target (green); delayed but still possible to deliver by the agreed date (amber); not met the quarterly numeric target (red); awaiting external input / external delay (grey).

This is the third quarterly report which highlights the current performance, risks and assurance level. This report uses RAG rating to identify areas of concern from a risk, assurance and performance angle. In particular the Committee should note:

- Patients – overall a slight deterioration in performance due to an increase in the number of falls in Q3 and delays in completion of national audits (reported to Quality Committee in January 2018). The forecast year-end position is positive;
- People – performance has deteriorated slightly but is distorted due to external delays and a metric not being available for 2017/18. Assurance levels have improved for Q3. The forecast year-end position is mixed;
- Partnership – external delays remain an issue but more clarity on consultation times for elements of the Sustainability and Transformation Plans has seen the risk level reduce in Q3. The forecast year-end achievement is mixed with most subject to external delays;
- Provision – performance, risk and assurance levels remain unchanged but the year-end position is at risk due to the additional spend required to improve and sustain the emergency access standard.

The IAGC's role is to discuss the assurance levels and possible gaps in assurance to provide feedback to the Executives on the additional evidence / assurance required. The Risk Manager has met with the Executive Risk Leads.

Where possible the performance is taken from the Integrated Performance Report (IPR) and work is on-going with the Information Team to ensure this is no duplication and to ensure we can report consistently.

The table below provides an aggregated overview of the annual priorities as at quarter 3. The colour coding for "Performance" – "green" majority on-track (in line with the performance levels agreed by the Remuneration Committee); "amber" mixture of on-track / not met but where year-end achievement is likely. The bracket in the Strategic Risk column indicates the Board's agreed risk appetite; more detail about the risk appetite is available in the papers.

STRATEGIC OBJECTIVE	PERFORMANCE Aggregated	STRATEGIC RISK Aggregated	ASSURANCE Aggregated
PATIENTS	AMBER (GREEN)	HIGH (HIGH)	ADEQUATE
PEOPLE	RED (AMBER)	MODERATE (SIGNIFICANT)	ADEQUATE (LIMITED)
PARTNERSHIP	EXTERNAL DELAY	HIGH (SIGNIFICANT)	SUBSTANTIAL
PROVISION	GREEN	EXTREME (HIGH)	ADEQUATE

Patients:

Performance in quarter 3 has deteriorated, but overall moving from Green to Amber:

- Improve Friends and Family Test (FFT) satisfaction for inpatients, maternity, outpatients, day surgery and Emergency Department (ED) – the achievement level for maternity has dropped to 98% against a target of 100% and ED remains a concern at 80% against a target of 82%;
- Ensure the falls rate is below the national average – overall the Trust is on target to meet this but Q3 saw a dip in performance with falls being higher than the national average; and
- Undertake 100 % of national audits / ensure data accuracy and action plans in place and implemented. 98% on target –Recovery action in place by the divisions, for 2 audits, diabetes and gastroenterology national audit. The Trust is on target to meet this for year-end.

The Trust is predicting to meet the year-end position for the "Patient" priorities. The Quality Committee will receive an update in more detail on plans to recover the areas that are not currently being met.

The aggregated risk level is showing as high which is within the risk appetite agreed by the Board. Assurance level is adequate overall but a small number are shown as "limited".

The Committee should discuss whether any additional assurance is required around the plans to improve performance. If so, Quality Committee should take the lead on receiving this assurance.

People:

Performance has deteriorated in Q3.

There has been difficulty in obtaining an appropriate metric in relation to the medical weighted activity unit as the Model Hospital data still relates to 2015/16. In addition the financial position of the Trust has impacted on its ability to put in place the Leadership and Development programme for 200 staff. The scope was reviewed in year and a new proposal is going to Management Board in January 2018. It is suggested that Committee discuss how these two priorities should be reported and whether they should be removed as annual priorities. If this is the recommended action to the Board, the Committee should also refer this to the Remuneration Committee to agree new “underperformed”, “performed” and “overperformed” levels.

Following the issues in Q2 with the data around the hard to recruit post I can confirm that a template has been set up and provided quarterly figures. Performance is noted as green with a 5% improvement from the baseline position at the end of Q3.

The objective to improve the overall staff engagement score as measured by the staff survey and NHS staff friends and family test by March 2018 remains a challenge with both metrics showing a further drop in quarter 3.

In addition the work to implement talent management for Band 6 and above has slowed due to the internal focus shifting to meeting our financial and constitutional standards. It is unlikely that this metric will be met for year-end although work is progressing, albeit slowly.

The aggregated risk level remains at moderate which is within the Board risk appetite.

Work has taken place over the quarter to strengthen the assurances and as a result the assurance level has moved from “limited” to “adequate”.

The Committee should discuss whether any additional assurance is required around the plans to improve performance. If so, SWC should take the lead on receiving this assurance.

Partnership

Performance has remains “Grey” as the objectives linked to the Sustainability and Transformation Plan (STP) continue to be delayed. The Trust continues to undertake the work it can.

The risk the Trust is carrying against this objective in line with the Board risk appetite.

The Board receives regular information and updates regarding the partnership work on the Sustainability and Transformation Plan and this is validated externally which leads to a “substantial” rating for assurance. In addition the Board discussed Accountable Care Organisations at its November development session.

The Committee should consider how the level of performance should be described for year-end given the fact that the current position is unlikely to change significantly.

Provision

Performance remains “Green” for quarter 3 due to continued good financial performance. However performance against the NHSI agreed trajectories for access standards remains “Red” with diagnostic waits being the only access standard met in quarter 3. There is a possibility that the Trust may meet the Cancer 62 day standard by the end of the year but not for the whole of Q4.

Given the additional spend to ease winter pressures it is likely that the Trust will not meet its financial target for Q4 which would result in underperformance for Provision.

There are two risks against this annual priority neither of which is within the agreed Board risk appetite. Actions have been identified to reduce the risks to an acceptable level but due to the pressure on the Emergency Department SRR5 (Failure to achieve financial plans as agreed by NHSI under the Financial Special Measures regime) is unlikely to be managed to within the risk appetite for 2017/18.

There is a mix of assurance levels and the majority of those are "significant" or "adequate". Those that are "limited" relate to negative assurances and not the quality of the assurance, such as the Integrated Performance Report is considered a good assurance document but currently it shows performance against the access standards as being not met and therefore "limited" assurance received.

The Board as a whole are sighted on the financial and operational challenges through the Finance and Performance Committee (FPC) as well as through regular and special reports.

IDENTIFIED RISKS AND MANAGEMENT ACTIONS:	The attached Board Assurance Framework reflects the strategic risks facing the Trust and the mitigating actions in place.	
LINKS TO STRATEGIC OBJECTIVES:	Patients: Help all patients take control of their own health. People: Identify, recruit, educate and develop talented staff. Provision: Provide the services people need and do it well. Partnership: Work with other people and other organisations to give patients the best care.	
LINKS TO STRATEGIC OR CORPORATE RISK REGISTER	As highlighted in the report	
RESOURCE IMPLICATIONS:	None	
COMMITTEES WHO HAVE CONSIDERED THIS REPORT	None	
PRIVACY IMPACT ASSESSMENT: NO	EQUALITY IMPACT ASSESSMENT: NO	

RECOMMENDATIONS AND ACTION REQUIRED:

The Committee is invited to

- Review the contents of this report and provide assurance around the robustness of the reporting of progress against the Strategic Priorities; and
- Discuss each priority and agree any actions required of the overseeing committee.
- Discuss and where appropriate make recommendations around those annual priorities that are either delayed due to external factors or where the metrics are not available to accurately measure performance.