

## WHITTINGTON HEALTH TRUST BOARD

**24 October 2012**

<b>Title:</b>	<b>Board Assurance Framework 2012/13</b>						
<b>Agenda item:</b>	<b>14</b>		<b>Paper</b>			<b>J</b>	
<b>Action requested:</b>	<b>For agreement</b>						
<b>Executive Summary:</b>	<p>The BAF focuses on the key risks to the Trust's long term strategic objectives as well as in-year objectives.</p> <p>It is proposed that the top four risk areas in the BAF are:</p> <ul style="list-style-type: none"> <li>• Risks associated with Cost Improvement Programmes</li> <li>• Commissioner support for Integrated Business Plan</li> <li>• Workforce issues</li> <li>• Risks associated with delivering transformation pathways and LEAN</li> </ul>						
<b>Summary of recommendations:</b>	<p>The Board is asked to:</p> <ul style="list-style-type: none"> <li>• Note the addition of a key risk as identified at the last Board meeting</li> </ul>						
<b>Fit with WH strategy:</b>	The BAF provides assurance to the Board that key risks to the achievement of the Trust's strategy are identified and effectively managed.						
<b>Reference to related / other documents:</b>	Corporate Risk Register, Risk management strategy						
<b>Date paper completed:</b>	15 October 2012						
<b>Author name and title:</b>	<b>Dr Yi Mien Koh Chief Executive</b>			<b>Director name and title:</b>	<b>Dr Yi Mien Koh Chief Executive</b>		
<b>Date paper seen by Audit Committee</b>	<b>13/9/12</b>	<b>Equality Impact Assessment complete?</b>	<b>yes</b>	<b>Risk assessment undertaken?</b>	<b>yes</b>	<b>Legal advice received?</b>	<b>n/a</b>



# Whittington Health Board Assurance Framework 2012/13

## 24 October 2012

### 1. Introduction

- 1.1. The Board Assurance Framework (BAF) forms part of Whittington Health's risk management systems and processes to assure the Board of Directors that the key risks that may threaten the delivery of the Trust's five strategic objectives are identified and being effectively managed.
- 1.2. The BAF brings together all of the key risks in a single management tool. The Audit and Risk Committee, informed by internal auditors, has oversight of Trust's risk management system and is responsible for reviewing the overall operation of the BAF.
- 1.3. The BAF is reviewed monthly at every Trust Board meeting to enable the Board of Directors to evaluate the assurance across all areas of key risks, to review the current risk scores in relation to each strategic objective, to track the actions being taken to close the gaps in controls, and to put in place plans for corrective actions where there are gaps in controls and/or assurance.

### 2. Changes to the BAF content since last reviewed on 26 September 2012

- 2.1. In response to concerns about corporate objectives 5c and 5d, the following additional key risk has been added to the BAF to reflect the Board discussion on 26 September.

Key Risk 5.5:

If we do not deliver service transformation in accordance with the CIP plans and implement LEAN across the Trust including meeting the Unipart project milestones, we will not be able to deliver integrated care services and our FT application may fail.

- 2.2. The scale and pace of change required to deliver the planned service transformation within set timescales are very challenging. Risks are high due to limited management capacity to both drive change and do the day job, and insufficient clinical engagement.

### 3. The Top Four Risk Areas

The following have been identified as the top four risks for the Trust.

#### 3.1. Cost Improvement Programmes (CIPs) risks

- If we miss this year's CIPs target of £13.1 million significantly (>10%), we may fail to meet our overall financial targets for the year, our Monitor risk rating and FT application will be at risk. The amount of CIPs required in future years will also increase.

- If CIPs for 2013/14 and 2014/15 are not detailed down to Project Initiation Document level, there is a risk of double counting, which reduces the amount of savings identified. Any gap in CIPs must be closed by identifying replacement CIPs which poses further challenges.

### 3.2. **Commissioner support for Integrated Business plan (IBP)**

- A **convergence letter** from commissioners confirming support for our Integrated Business Plan (IBP) is essential to progress our FT application. To evidence commissioner alignment, this letter must be agreed by the NCL Board prior to the Board to Board meeting with NHS London on 23 November 2012. If the convergence letter is delayed, then the meeting will be postponed, and our FT trajectory will then be delayed.

### 3.3. **Workforce risks**

- **Staff engagement** - if consultants and other staff are not engaged in redesigning pathways, improving processes and changing the way they work, we will not be able to deliver our CIPs and make progress on all of our strategic objectives.
- **Management capacity** is stretched and unsustainable beyond the short term.
- **Workforce plans** - medium to long term, if we do not fully implement our workforce plans, we will not be able to improve staff productivity and take out costs. We will then be unable to deliver the required cost savings, making the Trust unviable as an FT.

### 3.4. **Risks associated with delivering transformation and LEAN**

- If consultants and other staff are not engaged in transforming pathways, then integrated care services will not be realised.
- If LEAN processes are not implemented, not only is the delivery of integrated pathways affected, the CIPs will also not be delivered.

## 4. **Recommendations**

### 4.1. The Board is asked to:

- Agree that the BAF reflects the current risks to Whittington Health

**YI MIEN KOH**

**15 October 2012**