

Meeting title:	Trust Board (public)					
Date of the meeting:	11 th July 2024					
Title:	BAF and Significant Risk Report					
Report presented by:	Director of Corporate & Legal Affairs					
Report written by:	Head of Risk Assurance					
This paper is for:	Decision/Approval	<input type="checkbox"/>	Assurance	<input checked="" type="checkbox"/>	Update	<input checked="" type="checkbox"/>
Where this report has been discussed previously	Content discussed at Risk Committee and Audit Committee meetings.					

To your knowledge, does the report provide assurance or mitigate any significant risks?
The purpose of this report is to provide assurance around the overarching system of risk management and internal control within UHL.

Impact assessment
None

1. Purpose of the Report

The purpose of this report is to provide the Trust Board with assurance around the overarching system of risk management and internal control including a summary of:

- the Board Assurance Framework (BAF);
- the significant risks on the Operational Risk Register.

2. Recommendation

The Trust Board is invited to satisfy itself that the systems and processes in place to manage risk are working.

3. Report detail

3.1 The Board Assurance Framework (BAF)

The BAF sets out the Trust’s strategic goals and initiatives, the risks to achieving them and the controls, assurance mechanisms and key next steps to mitigate risk to support delivery with achieving the aims.

The content and structure of the BAF has been developed through discussion with the Executive Directors and Non-Executive Directors at Trust Board development sessions, and at Trust Board meetings, as well as through review of strategic risk themes on the

operational risk register. The BAF is regularly reviewed by the Trust's Internal Auditors as part of their Head of Internal Audit Opinion (HoIAO) and an opinion of significant assurance was provided for 2023/24, noting "significant improvements made to the assurance framework and arrangements embedded during the year".

The BAF continues to be aligned to the Trust's Strategic goals and initiatives. Following the launch of the Trust Strategy at Trust Board in October 2023, 'leading in healthcare, trusted in communities', risk descriptions and content have been revised where necessary to align to the new strategic goals and initiatives. Over the last quarter the Head of Risk Assurance and the Transformation Programme Manager have met monthly with each Executive Lead or Deputy to update their strategic risk, which subsequently has been reported to the relevant Board Committee.

There is an established process to add new risks, remove risks, and alter ratings on the BAF, which involves the relevant Board Committee receiving assurance and escalating the change to the Trust Board for endorsement. Since the last report to Trust Board in April 2024, a new row has been entered on the Digital risk relating to cyber security / business continuity (current rating as discussed at Risk Committee is 20). No risks have been closed on the BAF, however the current ratings for two risks have changed. In May 2024 the Trust Board approved an adjusted risk score to the capital funding risk, proposed by FIC, to reduce the 'likelihood' rating from almost certain to likely.

In June 2024 the Trust Board approved an increase to the PAS digital risk, proposed by OFH&TC, to increase the current 'likelihood' rating from likely to almost certain (new current rating is 20), due to the committee's concerns over the continuing red workstream statuses, the potential operational impact of the project in 2024/25 given constraints on investment in the project team, and the first of type aspect of the work.

Other risk themes which are currently rated 20 on the BAF include:

- Quality risk (including gaps in quality governance arrangements), monitored by the Quality Committee;
- Activity risk (including UEC, Elective, Cancer), monitored by the Operation & Performance Committee;
- Finance risk (including Sustainability and CIP), monitored by the Finance Investment Committee;
- People risk (including Transactional services), monitored by the People & Culture Committee.

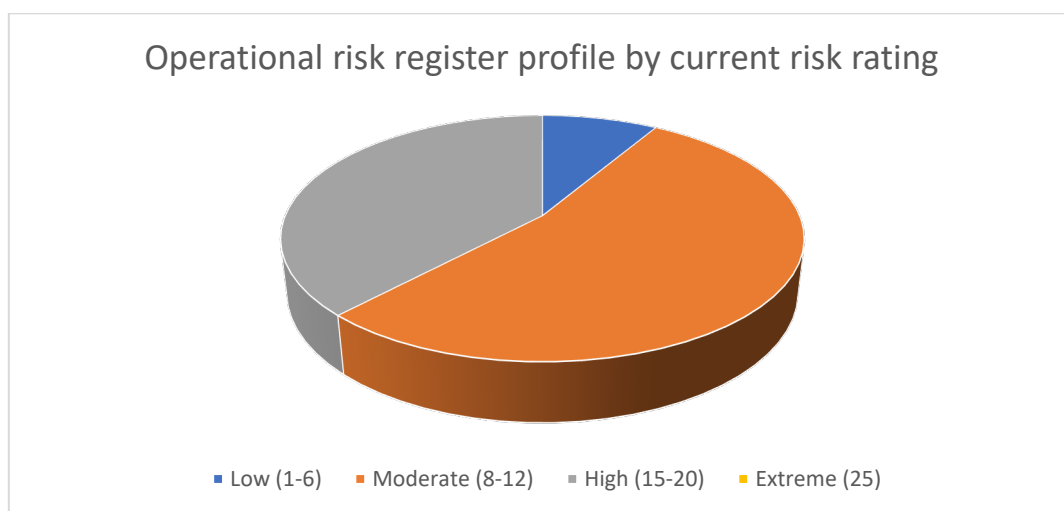
A copy of the current BAF is attached as Appendix A.

3.2 Operational risk register

The operational risk register provides detail about clinical and corporate operational risks relating to the organisation's on-going day-to-day business delivery. Operational risks include those to the delivery of Wards / area specific activities and objectives, Specialty / Department specific activities and objectives, CMG / Directorate specific activities and objectives, and Trust-wide objectives where the risks affect multiple services.

Operational risks have been assessed in terms of their cause and impacts, the likelihood of the risk event happening, and the typical impacts if it happened. The Trust uses a 5 x 5 risk matrix to score and prioritise its risks. New risks are signed-off by the relevant CMG / Corporate director or a member of the CMG triumvirate prior to being entered on the risk register, focussing on the current effectiveness of control measures in place to manage the risk and, where there are gaps between residual and target risk scores, the mitigation plans to achieve the target risk are acceptable.

Risk register findings and performance is reported to the Risk Committee monthly and in June there were 357 open risks on the Datix operational risk register. There are none with a current rating of extreme (rated 25), there are 124 significant risks (rated 15-20), 193 moderate risks (rated 8-12) and 40 low risks (rated 1-6). All operational risks are assigned to a risk owner and a breakdown of the risks by current rating is shown in the graphic below:



There is a current review of Trust-wide risks which affect multiple services and are led by a relevant Corporate Director. Trust-wide risks (rated 15 and above) are included as agenda items for discussion at Risk Committee meetings to provide assurance around progress with mitigations to manage these risks. The Risk Committee review a number of Trust-wide risks at each meeting and following discussion with risk owners at the June meeting one risk has been reduced.

Risk register performance is reported monthly to the CMG performance review meetings (PRMs) for scrutiny and challenge around operational risks. CMGs are required to assure the Trust Leadership Team at PRMs around actions they have established where there is any variance in data. The risk register performance reported to Risk Committee in June 2024 recorded 10% of operational risks with elapsed review dates against a target of 10%.

Analysis of the risk themes demonstrates alignment between the operational risk register and the BAF. Significant risk themes on the operational risk register include:

- Workforce gaps – including recruitment, retention and skill mix of clinical and non-clinical staff groups (across a range of CMGs and specialties). Workforce

themes are reported on the BAF. There is a piece of work being undertaken within People Services and Finance to review workforce.

- Patient activity and flow – including managing demand and capacity in urgent and emergency care services, managing the elective care backlogs, and managing cancer patients. UEC, elective and cancer care is reported as a strategic theme on the BAF.
- Estate and the environment – including managing ageing infrastructure and climate. The risk register is reviewed as part of the management of backlog maintenance led by Estates and Facilities. Some risks require significant capital investment as well as reconfiguration as part of the New Hospital Programme. Estates and Facilities matters are reported as a strategic theme on the BAF.
- Equipment and supplies – including managing ageing clinical equipment and addressing IM&T infrastructure works and digital risk. Digital risk, including PAS and EPR is reported as a strategic theme on the BAF.
- Finances – including capital funding and financial sustainability. Financial themes are reported as a strategic risk on the BAF.

Analysis of the themes on the risk register and BAF demonstrates alignment between the operational and strategic risks.

A summary of the significant Trust-wide risk register is attached as Appendix B.

Appendix A - UHL Board Assurance Framework

Strategic Goals: Leading in Healthcare, Trusted in Communities				High-quality care for all	A great place to work	Partnerships for impact	Research and education excellence
Strategic initiatives	Strategic Risk Theme	Executive Leads	Board Committee	Highest Current Rating	Tolerable Rating	Target Rating	Current Rating Movement
Care Quality and Experiences Safety Clinical and Commercial Research Healthcare and Education Training Continuous Improvement	Strategic risk 1 - Quality Governance	CN, MD	Quality Committee	20	12	6	↔
Access Place-based Services and Primary/Secondary Care Integration	Strategic risk 2 - Activity (UEC, Elective, Cancer)	COO	Operations & Performance Committee	20	15	9	↔
Strategic risk 3 - Material misstatements in the Trust's restated 2019/20 balance sheet, with implications for audit opinion on 2020/21 and future accounts	Closed: Strategic risk 3 - Finance (Balance Sheet)		Finance Investment Committee	Closed in May 2023 - Extraordinary FIC, 02.05.2023 agreed to close the treated risk. This was escalated in the FIC report and closure approved by Trust Board in May 2023.			
Strategic risk 4 - Culture of weak financial management, governance with longer term planning not yet embedded	Closed: Strategic risk 4 - Finance (Governance)		Finance Investment Committee	Closed in February 2023 - FIC, 27.01.2023 agreed to reduce the rating and to incorporate the residual risk regarding culture (training & development) into operational risk 3922. This was escalated in the FIC report and closure approved by TB in Feb 2023.			
Strategic risk 5 - Lack of financial grip and control, governance and financial processes	Closed: Strategic risk 5 Finance (Grip & Control)		Finance Investment Committee	Closed in August 2023 - FIC, 28.07.2023 agreed to close the risk and to incorporate the residual risk into the operational risk register. This was escalated in the FIC report and closure approved by Trust Board in August 2023.			
Financial Sustainability	Strategic risk 6 - Finance (Capital)	Interim CFO	Finance Investment Committee	16	12	9	↓
Strategic risk 7 - Failure to deliver the 2022/23 financial plan reforecast	Closed: Strategic risk 7A - Finance (Annual Plan)		Finance Investment Committee	Closed in May 2023 - Extraordinary FIC, 02.05.2023 agreed the risk has met its target rating and to incorporate the residual risk into the operational risk register. This was escalated in the FIC report and approved by Trust Board in May 2023.			
Financial Sustainability	Strategic risk 7 Finance (Sustainability)	Interim CFO	Finance Investment Committee	20	12	8	↔
Digital, Data, and Technology Horizontal Integration with other acute trusts	Strategic risk 8 - Digital	CIO	Finance Investment Committee Our Future Hospitals and Transformation Committee	20	12	9	↑
New Hospitals programme Community Anchor - Green Plan Financial sustainability Horizontal Integration with other acute trusts	Strategic risk 9 - Estates & Facilities	Interim DEF	Finance Investment Committee Our Future Hospitals and Transformation Committee	16	12	9	↔
Wellbeing Equalities and Engagement Workforce Development Horizontal Integration with other acute trusts	Strategic risk 10 - People	CPO	People & Culture Committee	20	12	9	↔

BAF scoring matrix KEY:

Likelihood is a reflection of how likely it is the risk event will occur 'x' **impact** is the effect of the risk event if it was to occur

		Impact				
		Rare	Minor	Moderate	Major	Extreme
Likelihood	Extremely unlikely	1	2	3	4	5
	Unlikely	2	4	6	8	10
	Possible	3	6	9	12	15
	Likely	4	8	12	16	20
	Almost certain	5	10	15	20	25

Score	Rating
1-6	Low
8-12	Moderate
15-20	High
25	Extreme

Appendix B - Significant Trust-wide Operational Risk Register (current risk score of 15 and above)

Risk ID	CMG	Risk Description	Current Risk Score	Target Risk Score
3144	Estates and Facilities	If Estates & Facilities are unable to recruit and retain staff, or fund posts to deliver services to meet the Trust's expectations, then it may result in a prolonged disturbance to the continuity of core services across the Trust leading to potential service disruption, patient harm, failure to achieve required standards	20	10
3695	Estates and Facilities	If areas requiring specialist ventilation for infection prevention are not updated to the current healthcare standards, caused due to age and condition of the plant and lack of access, then it may result in a reduction in infection control, leading to potential patient harm, adverse reputation, service disruption and financial loss	20	5
4045	Estates and Facilities	If the Trust does not have the required competent mechanical engineers (Pressure and Steam) to safely manage and maintain existing Pressure Systems (including Steam Boilers at LRI and LGH) then this may result in interruption / disruption to critical business functions for a period outside of current BCP timescales leading to severe harm and service disruption	20	10
3987	Estates and Facilities	If key Water management services don't offer a resilient service, then it may result in an infection incident that threatens the health of patients / staff and users in the Trust, leading to potential harm with prolonged hospital treatment / ill-health / death	20	10
4097	Finance and Procurement	If our financial position deteriorates, there will be a reduction in cash and we are unable to pay liabilities as they fall, then it may result in disruption to critical business function, leading to adverse impact on operational performance and reputational damage	20	9
4232	Finance and Procurement	If the Trust fails to meet it's 2024/25 CIP target, there is a risk the Trust may fail to achieve the annual financial plan, leading to a deficit in excess of the plan	20	10
4035	Human Resources	If there is inadequate and poorly maintained infrastructure in Paget House and Baldwin Lodge for People services staff to operate, then it may result in an event that threatens the health, safety, and security of occupants, leading to staff harm, poor staff experience, adverse reputation and litigation cases.	20	6
4244	Operations (Corporate)	Due to activity increases and higher acuity the existing (Lot 2) contract for all ED patient transfers and discharges does not meet the demand to support the service, this may result in limited or non-provision of ambulance transport for emergency patients, leading to adverse patient experience, delay for treatment and harm.	20	10
4255	Operations (Corporate)	Due to levels of demand across the hospital and wider LLR system outstripping the capacity funded and provided (covering all primary, acute, mental health and social care for patients flowing into, through and out of the hospital), then it may result in a risk to maintaining sufficient capacity to meet the needs of patients attending and being admitted for planned/elective care and unplanned (acute) care, leading to extreme service disruption across the Trust	20	9
4087	Reconfiguration	If the Trust is not awarded the full capital funding required for UHL's 'preferred way forward' by NHSE (the New Hospital Programme - NHP), then it may result in the Reconfiguration programme not being delivered in its entirety to mitigate the clinical risk of working across 3 acute sites, as per public consultation.	20	10
3143	Estates and Facilities	If sufficient capital funding is not committed to reduce backlog maintenance across the estate and infrastructure, then it may result in a prolonged disturbance to the continuity of core services across the Trust leading to potential service disruption and patient harm	20	4
3981	Estates and Facilities	If the systems and processes for managing waste in UHL are inadequate, then it may result in multiple breaches of UK Waste Management Regulations, leading to potential for adverse reputation, service disruption, harm and financial impact.	20	9
4096	Finance and Procurement	If insufficient capital funding is available, then it may result in the Trust being unable to address statutory requirements such as health and safety standards / legislation or address backlog maintenance requirements, leading to an increase in clinical service incidents and adverse effect on service continuity, productivity and patient and staff experience	20	12
4245	Finance and Procurement	If UHL fail to deliver the 2024/25 financial plan, then it may result in increased scrutiny from the regulator and impair the ability of the Trust to exit the Recovery Support Programme, leading to adverse reputation	under review	12
4009	Operations (Corporate)	If there is not a significant increase in capacity above the levels maintained pre-pandemic to support those patients awaiting elective care (both admitted and non-admitted), then it may result in the Trust breaching requirement to see and treat patients within 78 weeks of referral by March 23, leading to adverse reputation (not achieving phase 2 of the National RTT Elective Recovery Plan agenda) and patient harm.	20	12
3996	Operations (Corporate)	If there is insufficient capacity to meet the Urgent and Emergency Care demand in UHL, then it may result in significant service disruption to patients attending the Emergency Department, Clinical Decisions Unit and Surgical Admission Unit(s), leading to harm and adverse reputation	20	12
4177	Operations (Corporate)	If there is not a significant increase in capacity and resources to meet the increased demand in Cancer services within UHL, then it may result in a significant delay in progressing patients through cancer pathways, leading to an adverse impact on patient experience, inability to meet the national cancer waiting times targets and adverse patient outcomes	20	12
4023	Operations (Corporate)	If the Trust is unable to fully comply with the NICE quality standards relating to Safe and Timely Discharge/ Transfer of Care, then it may result in an event that threatens the safety of patients, leading to potential harm from delays in their reablement / recovery, and poor patient experience	20	12
4149	Corporate Medical	Due to a lack of investment to procure replacement, and maintain existing, medical equipment, then it may result in equipment failure and a prolonged downtime to the continuity of core clinical services across the Trust, leading to patient harm	16	8
4225	Estates and Facilities	If the condition of previously identified Asbestos Containing Materials (ACMs) across the estate deteriorate due to Environmental impact (such as water ingress) or damage by other means (accidental or deliberate) and not remediated in a timely manner, then it may result in asbestos contamination and/ or uncontrolled fibre release of friable, airborne, and respirable asbestos in the workplace, leading to impact on the Health, safety and welfare of patient / staff and visitor harm	16	8
4226	Estates and Facilities	If unknown Asbestos or Asbestos Containing Materials (ACMs) are uncovered as part of maintenance and or refurbishment activities adjacent to planned work area(s) without suitable funding available to make safe, then it may result in increased financial burden to manage in situ via monitoring and reinspection, leading to impacts on harm	16	8
4227	Estates and Facilities	If there is insufficient funding available to address the quantity of significant findings identified across UHL via the Fire Risk Assessment process in a timely manner (relating to fire detection / early warning systems / compartmentation), then it may result in a fire event occurring, leading to impact on the Health, safety and welfare of patient / staff and visitor harm through exposure to fire and smoke; and breach of legislation	16	8
4228	Estates and Facilities	If all identified Fire Doors across the UHL Estate are not inspected and maintained in line with Legislative and Industry best practice standards by a competent person, then it may result in a fire event with spread of smoke and fire throughout the hospital, leading to impact on the health, safety and welfare of patient / staff and visitor harm	16	8
4257	Estates and Facilities	If all identified environmental defects and damaged equipment within ward kitchens are not actioned / replaced in a timely manner, then it may result in failure to adhere to established food safety standards, leading to harm and enforcement action	16	4
4258	Estates and Facilities	If the Health and Safety service is below establishment due to current financial position, then it may result in a Health and Safety incident, leading to potential for harm and prosecution.	16	8
4256	Estates and Facilities	If the existing lift and lifting gear installations across the Trust are not replaced and/or subject to significant investment and refurbishment as part of a prioritised programme, then it may result in systems failures, leading to unavailability of equipment for extended periods of time, failed LOLER Insurance Inspections and enforcement action	16	4
4241	IM&T	If the Trust does not upgrade all devices operating system and continues the use of outdated core software, then it may result in a cyber-attack leading to the potential for major service disruption	16	6
4071	IM&T	If the certain applications are incompatible with the security updates provided, then it may result in cyber security breach, leading to service disruption	16	2
4242	Corporate Nursing	If the current interpretation and translation service is not to the required level of service, then it may result in poor provision of information between the patient and healthcare professional, leading to poor patient and carer experience	16	9
4178	Corporate Nursing	If the organisational processes and IT systems are not in place to comply with the requirements of the Accessible Information Standard, then it may result in issuing information or communication to patients, carers or parents in an incorrect format, leading to poor patient experience and potential harm	16	4
3872	Research and Innovation	If capacity in the clinical trials pharmacy aseptic laboratory is not enhanced (including to specific patient groups including cancer and renal), then it may result in delays to safe and timely preparation of the most modern advanced therapies, leading to potential harm, loss of reputation as a centre of excellence and research active Trust and loss of commercial income	16	12
4034	Human Resources	If the Trust does not improve the systems and processes to deliver transactional services aligned to the current and future needs of the organisation, then it may result in systematic failure to deliver high quality service to the workforce, leading to dissatisfaction from our staff in relation to their pay and an inability to attract candidates in a competitive market due to a reputational impact	15	9
2166	Corporate and Legal Affairs	If fundraising plans are not aligned with CMG and corporate Directorate financial plans, then it may result in reduction in planned income, leading to financial impact	15	4
3958	IM&T	If obsolete clinical IT systems are not upgraded or replaced to be supported to the required level, then it may result in interruption to critical business function, leading to service disruption, potential impact on quality with delays in decision making and financial impact	15	2

3960	IM&T	If out of support IM&T software running critical services fails, then it may result in interruption to critical business function, leading to service disruption, potential impact on quality with delays in decision making and financial impact	15	2
3955	IM&T	If the clinical workstation system providing a full electronic patient record in adult and paediatric diabetes & endocrinology at the LRI is not replaced, then it may result in untimely provision of patient information, leading to interruption to critical business functions, potential impact on quality with delays in decision making and financial impact	15	2
4072	IM&T	If the IM&T service is not sufficiently resourced with specialist technical consultancy and business engagement capacity, then it may result in delays to delivery of the Trust's digital transformation objectives, leading to significant fragmentation of patient records due to siloed approach and multiple systems proliferated	15	6
4190	Corporate Nursing	Due to a known issue where the air cells in the bed mattress used at LRI and LGH are misaligned, then it may result in patients suffering skin damage, leading to patient harm	15	6
1693	Operations (Corporate)	If clinical coding is not accurate, then it may result in a loss of income resulting in financial impact and loss of Trust reputation	15	4
4132	Strategy	If there is a failure of investment from the ICS in some planned schemes requested by UHL, due to challenged financial position with demand for expenditure exceeding the LLR allocation, then it may result in failure of some support services to deliver constitutional standards, leading to patient harm	15	9