NHS
Southampton, Hampshire
Isle of Wight & Portsmouth

# SHIP PCT Cluster Board

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| **Date of meeting** | | **24 September 2012** | |
| **Agenda Item** | **11** | **Paper No** | **CB12/101** |

## Board Assurance Framework and Strategic Risk Register

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| **Purpose of paper** | The purpose of the Board Assurance Framework is to update the Board on the range of controls and assurances that are in place to manage the identified risks to achievement of business objectives for the financial year 2012/13<br><br>A summary table is attached to show which corporate objectives have identified threats against them. |
| **Aims/objectives supported by this paper** | The Business Assurance Framework is a tool to support the PCT Cluster achieving each of the established Strategic and Operational Objectives. |
| **Principal risk(s) relating to this paper** | N/A |
| **Confirmation that any financial implications have been considered by the Cluster Director of Finance** | There are no financial implications arising from this paper. |
| **Confirmation that any legal implications have been considered by the Cluster Director of Corporate Affairs** | There are no legal implications arising from this paper. |
| **Public involvement – activity taken or planned** | Not applicable |
| **Equality and Diversity** | This paper does not request decisions that impact on equality and diversity. |
| **Report Author** | Ben Smith, Head of Risk Governance |
| **Sponsoring Director** | **Rob Dalton, Director of Corporate Affairs & Company Secretary** |

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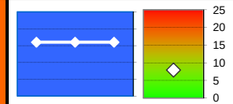
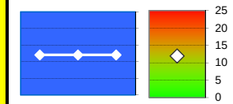
| **Date of paper** | 17 September 2012 |
| **Actions requested/ Recommendation** | **The Board is asked to accept the updated Board Assurance Framework.**<br><br>The Board are asked to note that these represent newly identified risks (except where risks from 2011-12 have been reinstated) and that other risks from 2011-12 have been removed since they are no longer considered to represent threats to current strategic business objectives:<br><br>**The Board is also invited to comment on the Business Assurance Framework content.**<br><br>In particular, the Board might highlight any further assurances required, and/or suggest, for each risk the Board's maximum tolerated risk score. It is suggested that the emphasis on transition and legacy will warrant a particular focus on identifying risks or gaps in control. A concerted effort towards handing-over; accurate, credible and comprehensive descriptions of all risks associated with PCT activities, may reduce the capacity for minimising as many risks as has previously been achieved. Consequently, it is possible that the Cluster Board may choose to raise its risk tolerance in order to permit this approach. |

| No. | Principal Objective *Suggested replacement SHIP Corporate Objective in italics* | Principal Risk | Ref *PCT* | Strategic Component Risks | Controls in Place *What controls/ systems do we have in place to assist in securing delivery of the objective?* (Numbered risks | Gaps in Control (Where we are failing to put controls / systems in place) | Action Planned (Expected Implementation Date) | Assurances [I - Internal / E - External, P - Positive / N - Negative] | Gaps in Assurance Action Planned (by) | CURRENT (Residual) Risk Score (Likelihood x Impact = Score) | Jun Jul Aug | Anticipated Effect of Controls & Board Tolerance *(line)* | Cluster Lead Director (Risk Owner) | Reporting Committee |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Ensure the delivery of all financial targets at the end of 2012/13, including the required reduction in running costs. | Failure to achieve financial targets and return required surplus level will impact on opportunities to maintain and improve healthcare for the local population | CF1 | | Builiding Hampshire Headroom at Hampshire Joint Commissioning Board (CF2)<br><br>Finance Teams working with CCGs on 'Invest to Save' arrangements<br><br>Final Lock-in baselines discussed with CCG committee. Baseline work presented to SHA on 9th July 2012 and to DH on 23rd July 2012 (CF 2,3, and 4) | Recruiting at Risk to support transition work and other essential functions until October 2012 when acceptability of using 2% for dula running is clearer. | | Finance reports to Board. (CFc1)<br>Management Committee reports. (CFc1)<br>Performance and Delivery Group reports and minutes. (CFc1)<br>System Reform Board reports to Board. (P) (CFc1)<br>Board discussion of Finance Reports at each meeting (I/P); (CFc1)<br>Audit Committee consideration of audit reports (I/P). (CFc1)<br>Head of Internal Audit Opinion (E/P) (CFc1)<br>CCG / Cluster / SHA reporting (CF2)<br>Monthly assessment through finance report. (CFc1)<br>PMO reports. (CFc1)<br>Finance report to Board (CF1,2,3,4)<br>Management Committee reports. (CFc3)<br>Regular Board briefings. (CFc3)<br>Approval of policies. (CFc3)<br>System Reform Board reports to Board. (CFc3)<br>Statement of Internal Control (CFc1)<br>CCG Shadow Board monitoring of QIPP programme (CFc1)<br>Baseline work presented to SHA on 9th July 2012 and to DH on 23rd July 2012 (awaiting feedback E/N) | | **16 (4 x 4)** |  | | **Mark Orchard** | SHIP Cluster Board |
| | | | CFc1 | Underdelivery of QIPP | | | | | | | | | | |
| | | | CFc3 | There is a risk of increasing cost pressure on continuing care expenditure, which jeopardises the delivery of overall financial balance for the PCT in 2012/13 | | | | | | | | | | |
| | | | CF2 | Costs of Organisational Change. Uncertainty around how any redundancy bill might be attributed with a result that the proportion assigned within the 2% headroom could be insufficient resulting in a threat to the break even position and potentially legacy debt. | | | | | | | | | | |
| | | | CF3 | Running Costs (CCG)<br>There is a point in time risk that without completed baseline work, CCG recruiting to posts may not be affordable [ Particular pressure on Hampshire PCT budget with less headroom] | | | | | | | | | | |
| | | | CF4 | Running Costs (CSU).<br>There is a point in time risk that without completed baseline work around CCG affordability, the scale of proposed CSU structures could be too expensive resulting in greater than anticipated redundancy costs (interlinks with CF2 and CF3) | | | | | | | | | | |
| | | | | | | | | | | | **Update (Progress)**<br><br>Sept 2012 - Risk remains unchanged pending feedback from Baseline work. Replacement of Risk Owner through personnel change<br>June 2012 - Heavily revised entry CF2, CF3,CF4 added | | | |
| 2 | Ensure the delivery of key national targets – in particular, waiting times for A&E services and hospital treatments (RTT). | Risk of not achieving national vital signs targets in ED, 18 week waiting time, cancer waits and Choose & Book. | CP1 | | Weekly conference calls between Chief Exec, DoF and Providers for briefings on A&E.<br>Weekly meetings with CCG & Hospital where issues are identified | | | SHA PIAG Assurance Process (E / N) | | **12 (3x4)** |  | | **Mark Orchard** | Corporate Business Committee (through Transition and Legacy Steering Group) |
| | | | CP1c4 | Winter pressures - potential disruption to service provision and pt access if coupled with increased demand for unscheduled care | | | | | | | **Update (Progress)**<br><br>Sept 2012 - Risk unchanged - Replacement of Risk Owner through personnel change<br>June 2012 - PCT has taken on leadership of monthly assurance processes. Observed by SHA. | | | |

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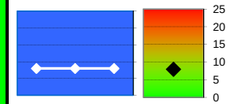
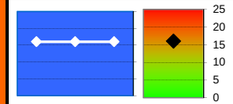
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3 | Oversee and ensure the transition of all responsibilities and assets to successor bodies as appropriate by March 2013.<br><br>ESTATES TRANSFER (not previously reflected in 2011-12 Corporate Objectives) | Uncertainty remaining around aspects of 'PropCo' establishment which may create a risk to the transfer of the Estate, Estates Services and associated staff | CE1 | Reinstated from 2011-12 Assurance Framework | Estates Transfer Working Group.<br>BTA drafted for Solent<br><br>Dedicated project manager in post.<br>Enquiry returns provided (first Draft) in respect of NHS Property Services transition.<br><br>Documented methodology followed for occupancy calculations to inform transfer list.<br>Monthly Transition Meetings. | | | Estates Transition programme risk log and reporting into Transition and Legacy Workstream updates. (I/N) | | 8 |  | **Update (Progress)**<br>Sept 2012 - Updated as guidance around PropCo (now NHS Property Services Ltd) arrangements issued.<br>Replacement of Risk Owner through personnel change<br>June 2012 - Proposed to reinstate from 2011-12 while this remains a distinct risk from separate Transition work (CT1) | **Mark Orchard** | Corporate Business Committee (through Transition and Legacy Steering Group) |
| 4 | Oversee and ensure the transition of all responsibilities and assets to successor bodies as appropriate by March 2013. | There is a risk of PCT resources not being adequately matched to National Transition priorities.<br><br>Poor legacy information could result in disruption to the establishment of successor bodies (CCGs and NHS CB Local Area Team) due to residual issues. Meanwhile, the SHIP Cluster may not deliver the PCT's Statutory Duties and Objectives for 2012. | CT1 | | Transition Strategy and Workstreams incorporating national guidance from DH, National Quality Board and other agencies (CT1)<br><br>Transition Strategy and reporting lines (to Board and relevant subcommittees) being used to engage leaders of future organisations (CT1) .<br><br>Company Secretary membership on South of England Transition Group (CT1)<br><br>National Quality Board Guidance (CT1c1)<br>Project plan to deliver National Framework for Quality Handover overseen by Cluster Clinical Governance Committee (CT1c1)<br><br>Nursing Directorate Project Plans to address pressure areas around Complaints and Serious Incidents Investigation quality assurance. (CT1c1)<br><br>Structure for Local Area Team of National Commissioing Board issued-September 2012 (CT1c2)<br>Structure for supporting Transition utilising existing forums, reporting progress including action plans and risk logs. (CT1c3)<br><br>Transition workstreams led by Executive Directors. Non-executive involvement in Programme Coordination Group.<br>Allocation of Specific Transition Resource (Associate Director level)<br><br>SHIP Cluster CCG and CSS HR Transition Road Map (CT1c3 and CT1c4)<br>Associated Structures published for CSU and CCGs<br>SHIP Cluster Staff Partnership Forum (CT1c3)<br>National Process agreed for the filling of posts in receiving organisations. (CT1c3) | | to CT1c1 - To add as an annex to Accountability Agreements, agreed principles re CCG leads taking on delegated quality roles. Action by Sarah Elliott - Director of Nursing, December 2012<br><br>CT1 Audit Programme for 2012-13 includes Transition and Legacy Management internal audits (Cluster Audit Committee agenda Sept 2012). | Workstream Reports to the Cluster Board via Transition Steering Group and through individuals (I/N)<br><br>Quality & Safety compliance and risks reported to Clinical Governance Committee (I / P) | | **16 (4 x 4)** |  | **Update (Progress)**<br>Sept 2012 - Revised risk description. Propose to close CT1c2 as substantial NHS CB detail becoming available.<br>June 2012 - New | **Rob Dalton** | |
| | | | CT1c1 | Quality and Safety<br>A lack of capacity and resulting backlog could lead to an inadequate handover to successor organisations resulting in a failure to identify patient safety concerns | | | | | | | | | | |
| | | | CT1c2 | Lack of clarity around future role and functions for the local office of the National Commissioning Board (NHS CB) | | | | | | | | | | |
| | | | CT1c3 | Staff leaving (due to uncertainty) or being allocated to particular organisations could lead to a loss of corporate memory and lack of expertise to inform transition and legacy programmes. | | | | | | | | | | |
| | | | CT1c4 | There is a risk that the PCT Cluster will not have completed by 31st March, arrangements to manage residual PCT responsibilities and liabilities. | | | | | | | | | | |

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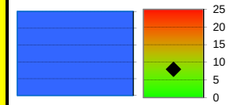
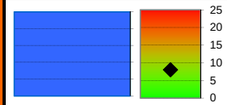
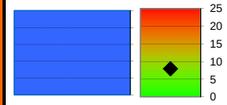
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5 | Continue to provide leadership as appropriate in overseeing the local health system during this time of change. | Lack of clarity about new Emergency Planning Arrangmenets may lead to inadequate resilience at local level and damage to reputation (Local Resilience Forum partners and public) | CL1 | | Regular briefings to Local Resilience Forum<br>Emergency Planning Managers in post<br><br>Confirmation that On-call system will be maintained throughout 2012/13 through CCG Accontable Officers | | Event Planned for Spetember 2012 with local partners (1st October 2012) | Monthly updates to Transition Workstream Group | | **12 (3x4)** |  **Update (Progress)** Sept 2012 - New Risk Added | | **Sarah Elliott** | Corporate Business Committee |
| 6 | Ensure the on-going commissioining of safe, high quality services accross the SHIP PCT Cluster during the transition period. | Safeguarding Children<br>There is a risk that any shortcomings in safeguarding systems and/or practice leads to a child coming to harm. Consequential risk of an Increase in Serious Incidents and Serious Case reviews<br>Damage to reputation of local NHS,<br>Statutory Non-compliance with Section 11 | CS1 | | Safeguarding Committee<br>Director Update to the 5 Hampshire CCGs (I / P) | Gap in Designated Doctor (Safeguarding Children) and Designated Doctor (Looked After Children) roles in Hampshire gives rise to a risk of inadequate strategic medical oversight | Identify Interim Cover and resume Recruitment<br>Maintain regular communication with Stakeholders | Report to the Clinical Governance Committeee attended by representation of each CCG (I / P) | | **16 (4 x 4)** |  **Update (Progress)** Sept 2012 - New Risk Added | | **Sarah Elliott** | Clinical Governance Committee |
| 7 | Ensure the on-going commissioining of safe, high quality services accross the SHIP PCT Cluster during the transition period. | There is a risk that the alignment of '111' procurement and the reprocurement of GP Out of Hours Services in South East Hampshire, West Hampshire, Portsmouth and Southampton may not deliver go-live on the same day causing a gap in service delivery, risk to patient safety and damage to commissioner | CC1 | | Current GP Out of Hours Contract extended with an option for further extension.<br>Joint Mobilisitation Programme in place<br><br>NHS 111 - Project Plan, Programme Board and Risk register<br>Robust Project Team | | | Reports to BoCC ( I / P ) | | **16 (4 x 4)** |  **Update (Progress)** Sept 2012 - New Risk Added | | **Stuart Ward** | Board of Clinical Commissioners |

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# Risks Identified against Strategic Objectives

| | Objective | Number | Reference |
|---|---|---|---|
| 1. | Ensure the delivery of all financial targets at the end of 2012/13, including the required reduction in running costs. | **1** | **CF1** |
| 2. | Ensure the on-going commissioning of safe, high quality services across the SHIP PCT Cluster during the transition period. | **2** | **CS1 & CC1** |
| 3. | Ensure the delivery of key national targets – in particular, waiting times for A&E services and hospital treatments (RTT). | **1** | **CP1** |
| 4. | Ensure the delivery of the SHIP Cluster QIPP Programme – in particular, reducing the volume of non-elective admissions. | | |
| 5. | Oversee and ensure the transition of all responsibilities and assets to successor bodies as appropriate by March 2013. | **2** | **CT1 & CE1** |
| 6. | Ensure that all staff are supported appropriately during this time of organisational change. | | |
| 7. | Work with representatives of the new National Commissioning Board to ensure the establishment of the Local Office, in accordance with national directions. | | |
| 8. | Ensure the effective transfer of the Specialist Commissioning function, the Primary Care Commissioning function and responsibility for other clinical services such as prison health, and services for military personnel and veterans into the National Commissioning Board | | |
| 9. | Ensure the effective transfer of the public health function into the four local authorities, in accordance with national guidance and local arrangements | | |
| 10. | Support Clinical Commissioning Groups to achieve authorisation by March 2013, in accordance with national guidance and local arrangements | | |
| 11. | Support local Provider organisations to achieve NHS Foundation Trust status:<br>• Solent NHS Trust to become an Foundation Trust in 2012/13;<br>• Portsmouth Hospitals NHS Trust to become a Foundation Trust by 2014;<br>• Isle of Wight NHS Trust to become a Foundation Trust by 2014. | | |
| 12. | Support the establishment of robust arms-length Commissioning Support arrangements for the new Clinical Commissioning Groups, in accordance with national guidance and local arrangements | | |
| 13. | Support the Local Authorities developing the new Health and Wellbeing Boards, in accordance with national guidance and local arrangements | | |
| 14. | Ensure on-going effective working with national and local partners in taking forward this transition. | | |
| 15. | Continue to provide leadership as appropriate in overseeing the local health system during this time of change. | **1** | **CL1** |

**Risk Score Reducing**
**Risk Score Unchanged**
**Risk Score Increasing** (from last reporting month
**Risk Proposed for Removal**