

Governing Body Assurance Framework (Refresh for 2020/2021)

Governing Body meeting

5 March 2020

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Sponsor	Jackie Mills, Director of Finance
Purpose of Paper	
<p>This report sets out the process undertaken to refresh the organisation's Governing Body Assurance Framework (GBAF) for 2020/2021.</p> <p>Due to the timing of the CCG's Audit and Integrated Governance Committee (AIGC), and that there is no meeting of Governing Body in April, this paper is presented to Governing Body in advance of the AIGC meeting to be held on 28 March 2020 which will ensure there is an approved GBAF in place for 1 April 2020.</p>	
Key Issues	
<p>The Governing Body needs assurance of the current state of progress with regard to its strategic objectives. Whilst there will always be elements of uncertainty, the Board needs to be assured (positively or negatively) as to what is feasible and practicable with regard to the delivery of its core objectives. The GBAF is the key document that provides assurance to the Governing Body that the organisation is taking appropriate actions to make progress on achievement of the objectives and effectively managing the risks to delivery.</p> <p>The GBAF is a "rolling" document reviewed approximately quarterly with a full refresh undertaken prior to the start of each financial year.</p> <p>Following approval of the CCG's objectives by Governing Body in February, a full refresh has been undertaken for 2020/21 prior to the start of the financial year in the context of the CCG's commissioning intentions and priorities for the financial year ahead.</p> <p>For 2020/21 the Chair and the Senior Management Team took a different approach in refreshing the GBAF at a time-out in January, by systematically identifying all possible risks to delivery, recognising the complexity and changing nature of the environment in which we are operating.</p> <p>The attached GBAF sets out the principal risks to delivery of the organisations objectives and includes risk score, current risk score and risk appetite and relevant rationale for these scores. Controls and assurances and actions identified in order to mitigate the level of risk will be updated during quarter 1.</p>	

Is your report for Approval / Consideration / Noting
Approval
Recommendations / Action Required by Governing Body
The Governing Body is asked to consider and approve the content of the refreshed GBAF for 2020/2021.
Governing Body Assurance Framework
<i>Which of the CCG's Objectives does this paper support?</i> Strategic Objective 5. Organisational development to ensure the CCG can achieve its aims and objectives and meet national requirements. This paper relates to all identified risks, but in particular relates to 5.4 Inadequate adherence to principles of good governance and legal framework leading to breach of regulations and consequent reputational or financial damage. The paper provides assurance that the risks identified to the delivery of the CCGs objectives are being managed and that they are discussed and appropriately actioned and/or challenged by the Governance Sub-committee and the Audit and Integrated Governance Committee.
Are there any resource Implications (including Financial, Staffing etc)?
No specific resource implications
Have you carried out an Equality Impact Assessment and is it attached?
Please attach if completed. Please explain if not, why not No, There are no specific issues associated with this report.
Have you involved patients, carers and the public in the preparation of the report?
Not applicable

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1 Introduction

The Governing Body needs assurance on the current state of progress with regard to its strategic objectives. Whilst there will always be elements of uncertainty, the Board needs to be assured (positively or negatively) as to what is feasible and practicable with regard to the delivery of its core objectives. The Governing Body Assurance Framework (GBAF) is an important document which allows Governing Body members to understand and oversee management of the key risks to the CCG achieving its strategic objectives, by addressing barriers to success. It also provides external assurance to NHS England, internal and external audit, the public and stakeholders that the CCG is cognisant of its risks and has a robust system of internal control. Auditors expect the GBAF to be kept up to date and routinely reviewed and challenged by Governing Body.

2 GBAF Refresh 2020/2021

At its meeting in February 2020 Governing Body members considered the paper presented on the CCG's Commissioning Intentions for 2020/2021 which had been informed by the SYB ICS Strategy and response to the Long Term Plan, the Joint Health and Wellbeing Strategy for Sheffield and Shaping Sheffield. Governing Body approved the refreshed strategic objectives for 2020/21, which are:

- Objective 1: Reduce the impact of health inequalities on peoples' health and wellbeing through working with Sheffield City Council and partners
- Objective 2: Lead the improvement of quality of care and standards
- Objective 3: Bring care closer to home
- Objective 4: Improve health and care sustainability and affordability
- Objective 5: Be a compassionate and inclusive employer that maximises the potential of our people

The Chair and Executive Directors met initially in January 2020 to consider the strategic risks, with a follow-up meeting in February to review and refresh the GBAF for 2020/2021. The refresh is an annual event to review the Framework and to consider the risks facing delivery of the organisation's strategic objectives and whether there are any new emerging risks in light of the organisation's key deliverables for 2020/2021, whilst ensuring that there is a fit-for-purpose framework in place for the financial year ahead.

For the 2020/21 review, we took a different approach to refreshing the GBAF. At a time-out session in January, rather than just review and refresh the existing framework, participants produced a long list of all possible risks to delivery, recognising the complexity and changing nature of the environment in which we are operating. It was agreed that an Executive Director would be identified as the lead co-ordinator for each of the strategic objectives.

Directors met again as part of a 'confirm and challenge' process in February 2020, attended by a representative from internal audit. The purpose of the follow-up session was to further review and refine the identified risks against each of the objectives and the 'long list' of identified risks highlighted in January, but also to assess whether any of the current 18 risks remained pertinent.

It was agreed that whilst a number of risks included on the 2019/2020 GBAF should transfer to the newly refreshed framework, there were a some which needed rewriting, in particular to reflect the impact of the developing priorities and arrangements of the Integrated Care System (ICS) and Sheffield Accountable Care Partnership (ACP). Any remaining risks from the 2019/20 GBAF which had not reached their risk appetite or which would no longer be a risk to the strategic objectives but remain a risk, will be reflected on the corporate risk register rather than the GBAF.

The outcome of the above work is summarised in the Appendix 1. As can be seen in the table below we have 20 risks going into 2020/21, the table below shows the distribution of risk scores compared to the same period in 2019/20.

Reporting Period	Critical	Very High	High	Medium	Low	Total
2019/2020	0	5	6	7	0	18
2020/2021	0	6	13	1	0	20

Once approved, the GBAF will be refreshed on a (roughly) quarterly basis. The Audit and Integrated Governance Committee (AIGC) has responsibility for overseeing this review. The Corporate Services Risk and Governance Manager will work with the Director of Finance to review the format of the assurance report presented to AIGC and Governing Body, taking on board any feedback from members.

4 Recommendations

The Governing Body is asked to consider and approve the content of the refreshed GBAF for 2020/21.

Paper prepared by: Sue Laing, Corporate Services Risk and Governance Manager

On behalf of: Jackie Mills, Director of Finance

February 2020

Summary Strategic Risk Register 2020/21

Objective	Ref	Principal risk	Risk Owner	Risk Rating (L x C)			Rationale for Risk Score	Rationale for Risk Appetite
				Initial	Current	Appetite		
1 Reduce the impact of health inequalities on peoples' health and wellbeing through working with Sheffield City Council and partners Lead : Brian Hughes	1.1	There is a risk that we fail to make sufficient progress on our Joint Commissioning priorities with Sheffield City Council, in particular in relation to those areas that impact on health inequalities.	Brian Hughes	12	12	9	The joint commissioning plan is currently in development and further work is required to agree delivery plans.	There is a risk that, due to insufficient performance data and clinical leadership across health, education and social care, we fail to make sufficient progress to implement the key developments required to achieve our goal of giving every child and young person the best start in life, potentially increasing demand on health, education and care services.
	1.2	There is a risk that, due to insufficient performance data and clinical leadership across health, education and social care, we fail to make sufficient progress to implement the key developments required to achieve our goal of giving every child and young person the best start in life , potentially increasing demand on health, education and care services.	Brian Hughes	12	12	6	Sheffield has high ambitions in this area as set out in the Best Start in Life, Every Child Matters and Future in Mind documents and Community Health programme. There is a risk that resources across the system will not be sufficient to achieve our ambition, in light of the reduction in expenditure on Health Visiting and other constraints on the LA.	Whilst resources will remain a constraint, we should aim for a clearer understanding of what is possible, targeting our resources to best effect.
	1.3	There is a risk that due to the increase in demand, the magnitude of change required and lack of workforce capacity, we are unable to make sufficient progress on delivering our all age mental health objectives, and as a result fail to impact on the health and social inequalities faced by people with mental health conditions, learning disability and autism, resulting in reduced life expectancy.	Brian Hughes	12	12	9	Whilst progress is being made in terms of investment in new services, there have been significant increases in demand for current services leading to increased waiting times, which may impact on timely access to services, particularly for people in crisis	Whilst strategic leadership by SCCG is helping to influence the system wide change required to address disparity, which will reduce this risk over time, it is recognised that parity of esteem is a societal issue, which the CCG will not be able to impact upon alone. The risk appetite reflects that work that the CCG expects to be able to do with partners to improve outcomes for people.
	2.1	There is a risk that organisations fail to meet quality standards , resulting in reduced quality of services, increased patient safety risks and a lack of satisfaction in commissioned services.	Alun Windle	12	12	9	We have in place, systems for formal, regular and detailed scrutiny of providers by CQC and the CCG. Areas of concern are therefore being identified more frequently than previously and the CCG continues to require assurance that providers are delivering high quality services. Where areas of concerns have been identified there is intensive intervention and scrutiny. This is evidenced by escalation at GB	To ensure that the consequence is moderate and although there will always be risks to poor quality care, that the impact on patient outcomes and experience is as low as possible.
	2.2	There is a risk that system wide or specific provider capacity problems emerge in secondary and/or primary care to prevent delivery of statutory requirements of the NHS Constitution, Long Term Plan and 2020/2021 Operational Plan expectations.	Brian Hughes	15	15	9	STHT continues to experience difficulties in relation to A&E 4 hour waiting times, ambulance handover times and cancer waits. Ambulance response times require improvement. Primary Care access and capacity remains a concern for the public. Sustainability of the care system / care homes / care providers may also present overarching risks. RTT standards are being met by our main providers although the requirement to reduce waiting list sizes will be a significant challenge. Also need to monitor any risks on workforce capacity and access to drugs post Brexit.	We should aim to reduce the likelihood of performance problems to no more than "possible" so that the public can expect that constitution pledges are routinely achieved.

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2 Lead the improvement of quality of care and standards Lead: Alun Windle	2.3	There is a risk that we fail to effectively communicate with the public and involve patients in CCG and system priorities and service developments, leading to loss of confidence in CCG decisions and potential legal challenge or referral to the Secretary of State.	Nicki Doherty	12	12	8	CCG is planning major transformation locally and with Sheffield and SY partners. This will require significant engagement with public and patients to ensure public understanding and compliance with good practice, potentially to very tight timescales with limited resource. There is a risk that the population don't engage with the proposed changes, focused on creating independence, self-care & education, and we end up with a system that encourages dependence on it. There is a risk to the reputation of the CCG if our decisions don't reflect the needs of the population and aren't influenced by them. There is also the risk of judicial review which will impact on reputation, implementation of change and financially.	We should have mechanisms in place that make effective engagement, and securing the capacity to delivery it, routine; therefore the likelihood of failure to engage and potential challenge "unlikely" at worst
	2.4	There is a risk that there is insufficient workforce to be able to maintain safe, efficient and high quality services or to allow us to implement changes to achieve our objectives.	Alun Windle	12	12	9	We recognise that there are significant workforce constraints in terms of the services that we commission. The Interim People plan was published in June 2019. It has been developed to set an agenda to tackle the range of workforce challenges in the NHS, recognising that this is one of the strategic risks for the NHS. The final People Plan is yet to be published, but it is expected in the near future. We have partnership arrangements in place, across both the ACP and the ICS to develop our workplans to address workforce challenges.	Understanding and addressing the workforce challenges will be key to delivering safe, efficient and high quality services as well as being able to adapt and improve services to address changing health needs and delivery models.
	2.5	There is a risk that insufficient preparedness to deal with significant emergency events mean that if those events occur local health services may be overwhelmed. distorting delivery of our priorities.	Brian Hughes	15	15	8	Plans are in place as part of preparing for a 'no deal' EU Exit as well as current outbreak of corona virus (COVID-19). However, these need to be flexible enough to deal with any different or escalating threats.	All systems should have robust arrangements in place to plan for, and respond to, a wide range of incidents and emergencies that could affect health or patient care. These could be anything from extreme weather conditions to an outbreak of an infectious disease or a major transport accident
3 Bring Care Closer to Home Lead: Nicki Doherty	3.1	There is a risk that we have insufficient capacity and resources to support development of Primary Care Networks (PCNs) and primary care at scale working or that PCNs are overwhelmed by multiple demands for their involvement.	Nicki Doherty	12	12	9	There are significant expectations of emerging PCNs. The new GP contract settlement identifies significant additional resources to support their development, although there are risks that there is insufficient trained workforce to undertake the additional roles.	Strong and effective PCNs are key to delivery of our out of hospital strategy. A strong and effective primary care at scale provider will be able to provide support to PCNs as well as to support delivery where duplication in each PCN is unnecessary or undesirable.
	3.2	There is a risk that there is insufficient resilience in primary and community care , in particular GP practices but also in the community pharmacy, care providers and the voluntary sector to meet the needs of the Sheffield population.	Nicki Doherty	16	16	6	Current known issues in relation to resilience in a number of GP practices, as well potential risks in relation to the new community pharmacy contract, may limit the ability to implement agreed changes. In addition, risks in relation to resilience of a small number of care providers and voluntary sector organisations may lead to transfer of demand into primary care, again limiting ability to move more care closer to home.	A resilient primary and community care sector is vital if we are to achieve our aim of moving more care closer to the patients normal residence.

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	3.3	Inability to secure active engagement/participation between Member Practices and relevant CCG teams which may result in not achieving CCG priorities.	Zak McMurray	12	12	8	The engagement of member practices is key to delivering the strategic objectives of the CCG. Primary Care capacity is one of the key challenges to the CCG.	Service transformation requires high take up from clinicians and with mechanisms in place for engagement, as part of our organisational development strategy, will reflect CCG working practices.
Improve health and care sustainability and affordability	4.1	There is a risk that the financial challenges of our own organisation and that of our system partners distort our short term spending priorities and prevent us investing in the key areas to deliver our objectives	Jackie Mills	16	16	9	Draft system plans indicate significant variance to overall system financial target which could result in resources (capital/transformation funding/CCG drawdown) being withheld from the system. There is a risk that the financial viability of non statutory providers eg voluntary sector and care providers, may constrain capacity shifting financial pressure to other areas.	Whilst there will always be a level of financial risk at organisation/system level, we need to ensure that we are using our contractual levers and influence appropriately. We need to identify the opportunities that can be secured by working across organisations to reduce duplication or inefficiencies.
	4.2	There is a risk that due to the lack of maturity of the place based relationships we make insufficient progress on delivering our joint objectives and as a result fail to address efficiency, workforce and quality gaps for the people of Sheffield.	Zak McMurray	12	12	6	Strong relationships are being developed through the ACP. However, there a risk that, due to financial and operating pressures relationships fail to mature, which means that we fail to make progress on delivering the objectives where we could make a real difference by working together. Confusion regarding or complexity of decision making structures may limit progress.	There is a risk that due to the lack maturity of the local partner relationships, financial and operating pressures, we make insufficient progress on joint commissioning and integrated commissioning to address efficiency, workforce and quality gaps which could adversely impact on local services.
	4.3	There is a risk that having a policy drive for system integration ahead of legislative change may risk the development of partnerships resulting in failure to secure the level of transformation required.	Lesley Smith	12	12	6	Strong relationships are being developed through the ICS. However, the agenda in relation to commissioning reform, as signalled in the operational planning guidance, could divert attention from transformation.	The operating plan signals a model of 'system by default'. A strong and successful ICS will support performance and transformation, which in turn should support delivery of our strategic objectives.
	4.4	There is a risk that the digital infrastructure that we have to deliver safe, efficient and high quality services is inadequately maintained/developed.	Brian Hughes	16	16	9	There are significant demands on the current digital infrastructure, both in terms of our CCG staff and General Practices as well as across Health & Care partners, and there may be insufficient funding available to address all these. There are also significant plans, as set out in the NHS Long Term Plan as well as our local transformation priorities that will require additional development of digital solutions and investment.	The Long Term Plan sets out a number of key areas that should be supported by digital transformation. We need to ensure that we deliver on these as well as having a robust infrastructure that can be built upon.
	4.5	There is a risk that the estates infrastructure is inadequately maintained/developed and so impacts on the ability to integrate services/bring services closer to home.	Jackie Mills	12	12	9	There are sufficient constraints on our estates infrastructure, in particular in relation to primary and community estate. Sheffield has a higher proportion of older converted houses being utilised by General Practice which may limit the ability to co-locate/integrate services around patients.	The ICS Primary Care Capital funding gives us some opportunity to explore how estates can support service change. Citywide strategic estates group is reviewing the opportunities for maximising the efficient use of all available estate to support agreed service changes.

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Lead: Jackie Mills	4.6	There is a risk that we fail to address the impact that the services that we commission have on the environment .	Zak McMurray	12	12	9	Failure to continually evidence the organisations commitment to sustainability and comply with ever broadening statutory obligations, national guidance and policy requirements will place the CCG at risk of financial implications; negative environmental impacts and failure to deliver social value. Further consequences include external scrutiny from our system-wide colleagues, the public; and negative media attention leading to reputational damage and a lack of trust.	There is a Governing Body approved Sustainable Development Strategy and Action Management Plan in place which is monitored and targets regularly reviewed by Governing Body
	4.7	There is a risk that our internal QIPP plan does not deliver the level of efficiency changes required to enable us invest in the services that we have prioritised to achieve our objectives either because the schemes are not developed robustly or because we have insufficient people/resources to deliver it or we cannot engage key partners appropriately.	Brian Hughes	16	16	9	The financial plan for 2020/21 has a QIPP plan of £19.5m. The Programme Management Office alongside Finance and Contracting colleagues have been working with Portfolios and Programme Managers to review programme plans, business cases and outcome measures. As at February 2020, there is a level of unidentified QIPP (£3.5m) plus a number of schemes where delivery is rated as red/amber. Failure to deliver cash releasing efficiency savings will impact on our ability to release investment funding to make progress on delivering our objectives.	The QIPP plan is not just about delivering efficiency savings but also about doing those things that also improve quality of services and outcomes for patients. Delivery of a robust QIPP plan is vital to enabling the CCG to make progress on delivering our objectives.
	4.8	There is a risk that our collective risk appetite is insufficient to realise the potential of our plans	Jackie Mills	12	12	8	Every activity that the CCG undertakes, or commissions others to undertake on its behalf, brings with it an element of risk that has the potential to undermine, or prevent the organisation achieving its strategic objectives. To discharge these requirements, the CCG has a responsibility to ensure proper governance in line with best practice in corporate, clinical and financial governance. Decisions made in partnership may fail to recognise the full risks to individual organisations and as a result organisations may lose trust in those decisions. Equally, a single organisation who is more risk adverse than partners may limit the progress that can be made.	The Governing Body should be able to take informed decisions, understanding the potential risks of agreed actions. Decisions made that impact on partners should recognise and take account of respective risks (legal, financial, reputational) in order that all partners have confidence in the decisions made.
5 Be an excellent employer and maximise the potential of our people Lead : Lesley Smith	5.1	There is a risk that we have insufficient internal workforce , talent management and succession planning to enable us to deliver the NHS People Plan, our organisational objectives and commissioning intentions during transformational changes.	Lesley Smith	9	9	4	The reduction in the CCG's allocation for Running Costs alongside increased call on people to work differently across the Joint Commissioning; Accountable Care Partnership and Integrated Care System agendas may limit the capacity to make progress against our agreed objectives. There is a risk that structural change as a result of commissioning reform may impact on our ability to deliver for the people of Sheffield.	An appropriately resourced and highly skilled workforce is essential if we are going to be able to make progress on delivering our commissioning intentions, and so our Strategic Objectives.