

Date:	11 August 2016
Meeting:	CCG Governing Body
Item Number:	8.1
Public/Private:	Public <input checked="" type="checkbox"/>

Report Title:	Governing Body Assurance Framework
Decisions to be made:	To note and approve

Author: <i>(Name, Title)</i>	John Pougher, Assistant Senior Officer Quality
GB Lead: <i>(Name, Title)</i>	Catherine Wylie, Director of Risk & Quality Assurance

Continue to improve the quality of services	<input checked="" type="checkbox"/>	Improve patient experience	<input type="checkbox"/>
Reduced unwarranted variations in services	<input type="checkbox"/>	Reduce the inequalities gap in North Lincolnshire	<input type="checkbox"/>
Deliver the best outcomes for every patient	<input type="checkbox"/>	Statutory/Regulatory	<input checked="" type="checkbox"/>

Executive Summary (Question, Options, Recommendations):	
<p>To inform the Governing Body of the risks to the delivery of North Lincolnshire CCG (NL CCG) strategic objectives.</p> <p>The Assurance Framework provides a structure and process that enables the organisation to focus on those risks that might compromise achieving its most important (principal) objectives; and to map out both the key controls that should be in place to manage those objectives and confirm the Governing Body has gained sufficient assurance about the effectiveness of these controls.</p> <p>In line with NL Risk Management Strategy all other identified risks are held on the NL CCG Corporate and Directorate Risk Registers. Work is on-going to ensure that risks, including partnership risks, continue to be captured and managed at the appropriate level.</p> <p>The risks are presented in a new format that includes a risk tolerance score and a tracker chart. The format will be developed in light of feedback, requirements of the CCG and best practice guidance. In addition the scoring matrix and severity guide taken from the CCGs Risk Management Strategy have been attached to help inform the Governing Body's review of the identified risks.</p> <p>The AF is reviewed by the Audit Group. The AF and CCG Corporate Risk Register are also reviewed regularly by the Quality Group.</p>	

Equality Impact	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Sustainability	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Risk	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	The AF is a key element of the organisations corporate governance framework.
Legal	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	The organisation needs to demonstrate that it has an effective system to identify and manage risks
Finance	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

Patient, Public, Clinical and Stakeholder Engagement to date									
	N/A	Y	N	Date		N/A	Y	N	Date
Patient:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Clinical:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Public:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Summary of NL CCG Board Assurance Framework Risks

Risk AO1: Breakdown in productive relationship with key partners would compromise the delivery of all CCG objectives: Risk Rating **12**

Risk F1: If the CCG fails to deliver a balanced budget there will be no resources to support investment and the CCG could lose ability to self-direct from NHS England: Risk Rating **20**

Risk MD1: Lack of accurate data on out of hospital mortality may result in areas of high risk not being identified or addressed: Risk Rating **12**

Risk MD2 Inability to recruit sufficient GPs and nurses could lead to difficulty maintaining current level of service and quality outcomes for patients: Risk Rating **20**

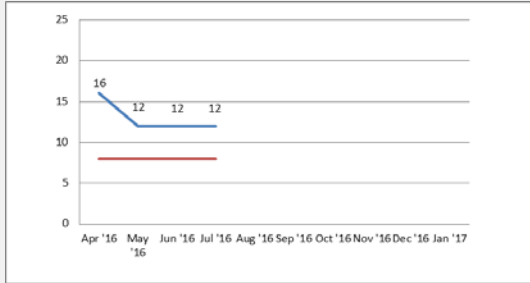
Risk Q4: Risk to CCG regarding delayed delivery of retrospective claims: Risk Rating **16**

NL CCG Strategic Objectives

- A. Continue to improve the quality of services
- B. Reduce unwarranted variations in services
- C. Deliver the best outcomes for every patient
- D. Improve patient experience
- E. Reduce the inequalities gap in North Lincolnshire

Risk AO1: Breakdown in productive relationship with key partners would compromise the delivery of all CCG objectives		Lead Director/risk owner: Accountable Officer																																		
Strategic Objective – links to all strategic objectives		Date of last review: 5.7.16																																		
Controls (what mitigating actions are being taken): Review of CCG structures and committees to ensure their effective utilisation Review of Council of Members Working with Chair of Health and Wellbeing Board and support team to agree productive partnerships Review of shared governance arrangements and integrated working with N Lincs LA Review structure and processes and partnership working with Health Lives Healthy Futures (HLHF) including independent chair Through HLHF the CCG has a community finance approach and Memorandum of Understanding Established agreed set of principles to support partnership working Established AO to Chief Exec regular 1:1s with key providers and LA		Actions 1. Work with Health Wellbeing Board to agree provider partnership strategy for the year 2. Develop more integrated problem solving approach	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Owner</th> <th style="text-align: left;">Due date</th> </tr> </thead> <tbody> <tr> <td>AO</td> <td>Sept 2016</td> </tr> <tr> <td>AO</td> <td>Sept 2016</td> </tr> </tbody> </table>	Owner	Due date	AO	Sept 2016	AO	Sept 2016																											
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AO	Sept 2016																																			
AO	Sept 2016																																			
Gaps in Controls None																																				
Assurances (how do we know if the things we are doing are having an impact?): Community finance plan. HLHF MoU and ToR Either NLCCG AO or NLC Chief Exec can represent each other in AT SCALE work		Gaps in assurances (what additional assurances should we seek?):																																		
Risk Rating Consequence 4 Likelihood 3 Current Score: $4 \times 3 = 12$ Risk tolerance: $4 \times 2 = 8$ Source of Risk: Stress due to financial challenges across the system Pace of change and competing priorities	<table border="1" style="margin-top: 10px; width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Month</th> <th>Current score</th> <th>Risk tolerance</th> </tr> </thead> <tbody> <tr><td>Apr '16</td><td>12</td><td>8</td></tr> <tr><td>May '16</td><td>12</td><td>8</td></tr> <tr><td>Jun '16</td><td>12</td><td>8</td></tr> <tr><td>Jul '16</td><td>12</td><td>8</td></tr> <tr><td>Aug '16</td><td>12</td><td>8</td></tr> <tr><td>Sep '16</td><td>12</td><td>8</td></tr> <tr><td>Oct '16</td><td>12</td><td>8</td></tr> <tr><td>Nov '16</td><td>12</td><td>8</td></tr> <tr><td>Dec '16</td><td>12</td><td>8</td></tr> <tr><td>Jan '17</td><td>12</td><td>8</td></tr> </tbody> </table>		Month	Current score	Risk tolerance	Apr '16	12	8	May '16	12	8	Jun '16	12	8	Jul '16	12	8	Aug '16	12	8	Sep '16	12	8	Oct '16	12	8	Nov '16	12	8	Dec '16	12	8	Jan '17	12	8	Reasons for current risk score: Impact score 4 as without these productive relationships the CCG will be unable to achieve financial stability. Likelihood score 3 due to instability as a result of recent changes
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Jan '17	12	8																																		
		Rational for risk tolerance score: Score 8 (consequence 4 likelihood 2) Consequence will continue to be 4 but a likely score of 2 reflects the challenges inherent in this risk																																		
		Additional comments Significant amount of work undertaken over the past few months has resulted in the anticipated trajectory to move in a positive direction																																		

Risk F1 If the CCG fails to deliver a balanced budget there will be no resources to support investment and the CCG could lose ability to self-direct from NHS England.		Lead Director/risk owner: CFO																																		
Strategic Objective A		Date of last review: 6.7.16																																		
Controls (what mitigating actions are being taken): Financial controls, regular meetings with budget holders. QIPP monitoring, Contract monitoring. Finance & Performance Group. Financial Control Environmental Assessment.	Actions	Owner	Due date																																	
Gaps in Controls Resulting from the move to a more formal PBR contract with NLaG (as opposed to the MoU based contract in 2015/16) implementation of first months formal reporting																																				
Assurances (how do we know if the things we are doing are having an impact?): CCG Engine Room and Governing Body monitor. Monitoring information is also added to BIZ. Audit Group monitors adequacy of controls. Standard Checklist for Budget Holder meetings. The BCF metrics and finances are also reported to joint meetings with the Council & to NHS England, at least quarterly. External Audit Value for Money Reports. Deloitte assurance report available to CCG and their auditors. CSU QIPP review process, QIPP monitoring reports to CCG. Independent review on CHC spend. Underlying position reported to NHS England and included in Board Report. CCG assurance process includes finance (assured with support). MOU and various risk shares helps to minimise financial risk in 16/17.		Gaps in assurances (what additional assurances should we seek?): Finance and performance committee to be established. QIPP plan being reviewed. As at period 3 16/17 the CCG will be reporting an underlying deficit to NHS England																																		
Risk Rating likelihood 4 consequence 5 Current Score: 20 Risk tolerance: 4 x 2 = 8 Source of Risk: Finance and performance data	<table border="1" style="margin-top: 10px; width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Month</th> <th>Current score</th> <th>Risk tolerance</th> </tr> </thead> <tbody> <tr><td>Apr '16</td><td>16</td><td>8</td></tr> <tr><td>May '16</td><td>16</td><td>8</td></tr> <tr><td>Jun '16</td><td>16</td><td>8</td></tr> <tr><td>Jul '16</td><td>16</td><td>8</td></tr> <tr><td>Aug '16</td><td>20</td><td>8</td></tr> <tr><td>Sep '16</td><td>20</td><td>8</td></tr> <tr><td>Oct '16</td><td>20</td><td>8</td></tr> <tr><td>Nov '16</td><td>20</td><td>8</td></tr> <tr><td>Dec '16</td><td>20</td><td>8</td></tr> <tr><td>Jan '17</td><td>20</td><td>8</td></tr> </tbody> </table>		Month	Current score	Risk tolerance	Apr '16	16	8	May '16	16	8	Jun '16	16	8	Jul '16	16	8	Aug '16	20	8	Sep '16	20	8	Oct '16	20	8	Nov '16	20	8	Dec '16	20	8	Jan '17	20	8	Reasons for current risk score: Impact – risk to corporate autonomy Likelihood – underlying financial position
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Dec '16	20	8																																		
Jan '17	20	8																																		
		Rational for risk tolerance score: A likelihood score of 2 would demonstrate that the underlying financial position is strong and financial performance targets will be met.																																		
		Additional comments Corrective actions have already been identified. The position has been notified to NHS England office and formalised in this month's return.																																		

Risk MD1: Lack of accurate data on out of hospital mortality may result in areas of high risk not being identified or addressed		Lead Director/risk owner: Medical Director																
Strategic Objective - All objectives		Date of last review: 6.7.16																
Controls (what mitigating actions are being taken): Community mortality action plan. Roll out of end of life gold standard framework. Meetings with care homes and multi-disciplinary providers via care networks.	Actions Access Dr Foster mortality data for individual practices	Owner Medical Director	Due date August 2016															
Gaps in Controls None																		
Assurances (how do we know if the things we are doing are having an impact?): Multi agency meetings CCG Quality Group		Gaps in assurances (what additional assurances should we seek?): None																
Risk Rating likelihood 4 consequence 3		Reasons for current risk score: Impact (4) for risk of not learning from or incorporating actions to develop care networks. Likelihood (3) access to Dr Foster data not yet achieved.																
Current Score: 12 Risk tolerance: 4 x 2 = 8 Source of Risk: Ability of NLaG to share in-depth mortality data with community		Rational for risk tolerance score: Likelihood Score of 2 demonstrates information has been accessed with subsequent actions in place																
 <table border="1"> <caption>Chart Data</caption> <thead> <tr> <th>Month</th> <th>Current score</th> <th>Risk tolerance</th> </tr> </thead> <tbody> <tr> <td>Apr '16</td> <td>16</td> <td>8</td> </tr> <tr> <td>May '16</td> <td>12</td> <td>8</td> </tr> <tr> <td>Jun '16</td> <td>12</td> <td>8</td> </tr> <tr> <td>Jul '16</td> <td>12</td> <td>8</td> </tr> </tbody> </table>		Month	Current score	Risk tolerance	Apr '16	16	8	May '16	12	8	Jun '16	12	8	Jul '16	12	8	Additional comments Subject to accessing Dr Foster data for individual practices it is anticipated that the risk score will be reduced and removed from the assurance framework	
Month	Current score	Risk tolerance																
Apr '16	16	8																
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Risk MD2 Inability to recruit sufficient GPs and nurses could lead to difficulty maintaining current level of service and quality outcomes for patients		Lead Director/risk owner: Medical Director																																		
Strategic Objective: Linked to all strategic objectives.		Date of last review: 6.7.16																																		
Controls (what mitigating actions are being taken): The CCG currently jointed into Humber wide initiative to recruit practice nurses and GPs	Actions Engage with hub and spoke model to develop more spokes in North Lincolnshire relating to care networks. Working with local NHS England to develop the viability of services to existing practice lists.	Owner Medical Director Medical Director	Due date September 2016 April 2017																																	
Gaps in Controls None																																				
Assurances (how do we know if the things we are doing are having an impact?): CQC NHS England Healthwatch Joint Commissioning Group		Gaps in assurances (what additional assurances should we seek?): None																																		
Risk Rating likelihood 4 consequence 5 Current Score: 20 Risk tolerance: 5 x 2 = 10 Source of Risk: Primary care data	<table border="1"> <caption>Risk Rating Data</caption> <thead> <tr> <th>Month</th> <th>Current score</th> <th>Risk tolerance</th> </tr> </thead> <tbody> <tr><td>Apr '16</td><td>20</td><td>10</td></tr> <tr><td>May '16</td><td>20</td><td>10</td></tr> <tr><td>Jun '16</td><td>20</td><td>10</td></tr> <tr><td>Jul '16</td><td>20</td><td>10</td></tr> <tr><td>Aug '16</td><td>20</td><td>10</td></tr> <tr><td>Sep '16</td><td>20</td><td>10</td></tr> <tr><td>Oct '16</td><td>20</td><td>10</td></tr> <tr><td>Nov '16</td><td>20</td><td>10</td></tr> <tr><td>Dec '16</td><td>20</td><td>10</td></tr> <tr><td>Jan '17</td><td>20</td><td>10</td></tr> </tbody> </table>		Month	Current score	Risk tolerance	Apr '16	20	10	May '16	20	10	Jun '16	20	10	Jul '16	20	10	Aug '16	20	10	Sep '16	20	10	Oct '16	20	10	Nov '16	20	10	Dec '16	20	10	Jan '17	20	10	Reasons for current risk score: Impact – Reduction of services to patients Likelihood – High retirement rate amongst GPs and nurses and low recruitment to local area Rational for risk tolerance score: Likelihood score of 2 would indicate that recruitment situation is positive for nurses and doctors combined possibly with a low turnover rate Additional comments Actions to reduce this risk are extremely challenging due to the national context as well as the local position.
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Risk Q4: Risk to CCG regarding delayed delivery of retrospective claims.		Lead Director/risk owner: DRQA																																		
Strategic Objective: Linked to A,B,C,D		Date of last review: 12/7/16																																		
Controls (what mitigating actions are being taken): Collaborative arrangements with Doncaster CCG. MOU in place with governance arrangements and agreed trajectory.	Actions 1 Review of model that addresses retrospective claims 2 Review of data accuracy with Doncaster CCG	Owner DRQA DRQA	Due date September 2016 September 2016																																	
Gaps in Controls Performance targets yet to be achieved.																																				
Assurances (how do we know if the things we are doing are having an impact?): NHSE returns. Doncaster CCG monitoring position. Penalties are in place for non-achievement of targets.		Gaps in assurances (what additional assurances should we seek?): New contract is awaiting performance data.																																		
Risk Rating likelihood 4 consequence 4 Current Score: 16 Risk tolerance: 4 Source of Risk: CHC performance data from Doncaster CCG.	<table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Chart Data</caption> <thead> <tr> <th>Month</th> <th>Current score</th> <th>Risk tolerance</th> </tr> </thead> <tbody> <tr><td>Apr '16</td><td>16</td><td>4</td></tr> <tr><td>May '16</td><td>16</td><td>4</td></tr> <tr><td>Jun '16</td><td>16</td><td>4</td></tr> <tr><td>Jul '16</td><td>16</td><td>4</td></tr> <tr><td>Aug '16</td><td>16</td><td>4</td></tr> <tr><td>Sep '16</td><td>16</td><td>4</td></tr> <tr><td>Oct '16</td><td>16</td><td>4</td></tr> <tr><td>Nov '16</td><td>16</td><td>4</td></tr> <tr><td>Dec '16</td><td>16</td><td>4</td></tr> <tr><td>Jan '17</td><td>16</td><td>4</td></tr> </tbody> </table>		Month	Current score	Risk tolerance	Apr '16	16	4	May '16	16	4	Jun '16	16	4	Jul '16	16	4	Aug '16	16	4	Sep '16	16	4	Oct '16	16	4	Nov '16	16	4	Dec '16	16	4	Jan '17	16	4	Reasons for current risk score: Impact: Significant financial, in addition to quality and service delivery risks Likelihood: Highly unlikely to meet agreed trajectory Rational for risk tolerance score: Score of 4 with a likelihood of 0 relates to a position when the backlog is down to zero.
Month	Current score	Risk tolerance																																		
Apr '16	16	4																																		
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		Additional comments																																		

Risk Scoring Matrix (NPSA)

Probability (Likelihood) x Severity (Consequences) = Risk

All risks need to be rated on 2 scales, probability and severity using the scales below.

Probability

Risks are first judged on the *probability* of events occurring so that the risk is realised.

Enter a number (1-5) indicating the probability of the risk occurring. Please refer to the definition scale below.

		Broad descriptors of frequency	Time framed descriptors of frequency
1	Rare	This will probably never happen/recur	Not expected to occur for years
2	Unlikely	Do not expect it to happen/recur but it is possible it may do so	Expected to occur at least annually
3	Possible	Might happen or recur occasionally	Expected to occur at least monthly
4	Likely	Will probably happen/recur but it is not a persisting issue	Expected to occur at least weekly
5	Almost certain	Will undoubtedly happen/recur, possibly frequently	Expected to occur at least daily

Almost certain	5	10	15	20	25
Likely	4	8	12	16	20
Possible	3	6	9	12	15
Unlikely	2	4	6	8	10
Rare	1	2	3	4	5
Probability					
Severity	Negligible	Minor	Moderate	Serious	Catastrophic

Severity guidance (NPSA Risk Matrix)

	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	Negligible	Minor	Moderate	Serious	Catastrophic
Impact on the safety of patients, staff or public (physical/psychological harm)	Minimal injury requiring no/minimal intervention or treatment. No time off work	Minor injury or illness, requiring minor intervention Requiring time off work for >3 days Increase in length of hospital stay by 1-3 days	Moderate injury requiring professional intervention Requiring time off work for 4-14 days Increase in length of hospital stay by 4-15 days RIDDOR/agency reportable incident An event which impacts on a small number of patients	Major injury leading to long-term incapacity/disability Requiring time off work for >14 days Increase in length of hospital stay by >15 days Mismanagement of patient care with long-term effects	Incident leading to death Multiple permanent injuries or irreversible health effects An event which impacts on a large number of patients
Quality/complaints/audit	Peripheral element of treatment or service suboptimal Informal complaint/inquiry	Overall treatment or service suboptimal Formal complaint (stage 1) Local resolution Single failure to meet internal standards Minor implications for patient safety if unresolved Reduced performance rating if unresolved	Treatment or service has significantly reduced effectiveness Formal complaint (stage 2) complaint Local resolution (with potential to go to independent review) Repeated failure to meet internal standards Major patient safety implications if findings are not acted on	Non-compliance with national standards with significant risk to patients if unresolved Multiple complaints/independent review Low performance rating Critical report	Totally unacceptable level or quality of treatment/service Gross failure of patient safety if findings not acted on Inquest/ombudsman inquiry Gross failure to meet national standards
Human resources/organisational development/staffing/competence	Short-term low staffing level that temporarily reduces service quality (< 1 day)	Low staffing level that reduces the service quality	Late delivery of key objective/ service due to lack of staff Unsafe staffing level or competence (>1 day) Low staff morale Poor staff attendance for mandatory/key training	Uncertain delivery of key objective/service due to lack of staff Unsafe staffing level or competence (>5 days) Loss of key staff Very low staff morale No staff attending mandatory/ key training	Non-delivery of key objective/service due to lack of staff Ongoing unsafe staffing levels or competence Loss of several key staff No staff attending mandatory training /key training on an ongoing basis

Statutory duty/ inspections	No or minimal impact or breach of guidance/ statutory duty	Breach of statutory legislation Reduced performance rating if unresolved	Single breach in statutory duty Challenging external recommendations/ improvement notice	Enforcement action Multiple breaches in statutory duty Improvement notices Low performance rating Critical report	Multiple breaches in statutory duty Prosecution Complete systems change required Zero performance rating Severely critical report
Adverse publicity / reputation	Rumours Potential for public concern / media interest Damage to an individual's reputation.	Local media coverage – short-term reduction in public confidence Elements of public expectation not being met Damage to a team's reputation	Local media coverage – long-term reduction in public confidence Damage to a services reputation	National media coverage with <3 days service well below reasonable public expectation Damage to an organisation's reputation	National media coverage with >3 days service well below reasonable public expectation. MP concerned (questions in the House) Total loss of public confidence (NHS reputation)
Business objectives/ projects	Insignificant cost increase/ schedule slippage	<5 per cent over project budget Schedule slippage	5–10 per cent over project budget Schedule slippage	Non-compliance with national 10–25 per cent over project budget Schedule slippage Key objectives not met	Incident leading >25 per cent over project budget Schedule slippage Key objectives not met
Finance including claims	Small loss Risk of claim remote	Loss of 0.1–0.25 per cent of budget Claim less than £10,000	Loss of 0.25–0.5 per cent of budget Claim(s) between £10,000 and £100,000	Uncertain delivery of key objective/Loss of 0.5–1.0 per cent of budget Claim(s) between £100,000 and £1 million Purchasers failing to pay on time	Non-delivery of key objective/ Loss of >1 per cent of budget Failure to meet specification/ slippage Loss of contract / payment by results Claim(s) >£1 million
Service/business interruption Environmental impact	Loss/interruption of >1 hour Minimal or no impact on the environment	Loss/interruption of >8 hours Minor impact on environment	Loss/interruption of >1 day Moderate impact on environment	Loss/interruption of >1 week Major impact on environment	Permanent loss of service or facility Catastrophic impact on environment
Data Loss / Breach of Confidentiality	Potentially serious breach. Less than 5 people affected or risk assessed as low e.g. files were encrypted	Serious potential breach and risk assessed high e.g. unencrypted clinical records. Up to 20 people affected	Serious breach of confidentiality e.g. up to 100 people affected	Serious breach with either particular sensitivity e.g. sexual health details or up to 1000 people affected	Serious breach with potential for ID theft or over 1000 people affected