



Appendix to Trust Self-Certification for NHS Improvement

**G6: Statement of Main Factors taken into account in making the above declaration**

The Board has a Finance & Investment Committee (FIC) that is specifically charged with ensuring that the Trust operates in an economic and efficient manner through the holding to account of Executive Directors and Divisional Leads for delivery against agreed I&E positions and CIP targets.

The Board itself reviews financial and operational performance at each meeting through the Performance & Quality Report, with a more detailed financial view being provided by the Finance Reports which the Board reviews as a standing item on its Private agenda.

As referenced in the Governance Statement under Assurance for ST4 with regard to the Board's oversight of quality, the Board and Quality Committee regularly review the Trust's compliance against the regulatory standards.

The Board Audit Committee oversees the output of all audits undertaken by the Trust internal/external auditors, reporting any risks identified to the Board accordingly.

Risk itself is considered, reviewed and managed through the Risk Assurance Framework (RAF) which provides the robustness and comprehensiveness of the Trust's systems of risk management.

**CoS7: Statement of Main Factors taken into account in making the above declaration**

As set out in the Annual Report, the Trust has set a plan for 2017/18 to generate a surplus of £11.9m with an adjusted financial surplus of £7.1m against an agreed control total of £7.1m.

The Directors are confident that the surplus is realistic with a strong focus on the achievement of the delivery of £25.9m of cost improvement plans. Following a review of the Trust's plans and projections, including cash flows, liquidity and income base, as well as considering regulatory commitments, the Directors have a reasonable expectation that the Trust has adequate plans and resources to continue in operational existence for the foreseeable future. The Trust accounts for 2016/17 were prepared and approved on the going concern basis.

The Directors therefore have a reasonable expectation that the Trust will have the required resources available to it to provide commissioner requested services in 2017/18.



#### FT4 Corporate Governance Statement: Assurance Risks and Mitigating Actions

##### 1 Mitigating Action

The Trust's Annual Governance Statement and Accountability Report outline the main arrangements in place to ensure the Trust applies the principles, systems and standards of good governance.

The Trust's Constitution, signed off by the Trust's constitutional legal advisors, the Board and the Council of Governors, outlines the Trust's corporate governance framework.

The Trust also complies in full with the NHS Improvement Code of Governance.

Annual review of Board Committee Terms of reference is underway. An integrated governance review is being launched.

No corporate governance risks have been identified as a result of the Trust's internal or external audit programmes in year.

Risk: There are no known risks to compliance with this area.

##### 2 Mitigating Action

Compliance with the NHS Improvement Code of Governance compliance is considered as part of Annual Report sign-off process and, as above, the Trust has assessed itself as fully complying with the Code.

The Trust ensures all other guidance issued by NHS Improvement is received, noted and where necessary acted upon by the appropriate Executive Director within the Trust. In particular, the Trust adheres to NHS Improvement's Single Oversight Framework.

Risk: There are no known risks to compliance with this area

3 The Board has an effective committee structure in place. The Board is regularly provided with the committee reports/minutes. An updated senior trust leadership structure is in place and published on the Trust website. The annual review of Board Committee terms of reference is underway. Following the governance review of 2016/17 and 2014/15, an integrated governance review is being launched. The Trust is continuing to review the structural/leadership arrangements that are in place with regard to its operational, medical and nursing teams to ensure maximum productivity and effectiveness, through Board Committees.

Risk: There are no known risks to compliance with this area.

4 The Board has a Finance & Investment Committee (FIC) with specific objectives (12 currently) in relation to financial policy management and reporting and in relation to



investment policy, management and reporting. FIC also considers all business cases in line with the medium term strategy agreed at the Board; any other matter referred to the Committee by the Board of Directors and the business case for every capital expenditure where the proposed capital expenditure is > £1m. FIC has 10 meetings annually and reports directly to the Board. In addition to the assurances from The Board Finance & Investment Committee (FIC) on scrutiny and decision making, Board Audit Committee provides assurances on scrutiny of process.

The Board itself reviews financial and operational performance at each meeting through the Performance & Quality Report, with a more detailed financial view being provided by the Finance Reports which the Board reviews as a standing item on its Private agenda.

The Board, with 7 full meetings annually, and the Quality Committee, with 10 full meetings annually, review the Trust's compliance against the regulatory standards. The Trust has in place a Compliance Map and is developing a Ward Accreditation Quality Improvement Tool, with Divisional Quality and Safety Plans presented to the Committee. The Compliance group, chaired by the Chief Pharmacist, reports up to the Clinical Effectiveness Group, chaired by the Deputy Medical Director. The Clinical Effectiveness Group reports to each Quality Committee.

The Board's Constitution, Standing Orders and Board Committee Terms of Reference ensure appropriate information flow for good governance and decision making.

The Board has had regular oversight of the Trust-wide risk assurance framework (RAF), which mapped the organisation's aims and objectives against all aspects of risk—clinical, financial, service, reputational and legal. The RAF is scrutinised by the following committees:

- Board of Directors: Reviewed full RAF twice per annum
- Executive board: Reviewed the full RAF at each meeting on a monthly basis
- Audit committee: Reviewed the full RAF at each meeting on a quarterly basis

Each risk listed within the RAF has a single executive 'owner' to ensure accountability for risk management/mitigation. Compliance with legal requirements is monitored through the Board Committees and the Interim Company Secretary.



The Trust's Operating Plan for 2017–19 was submitted to NHS Improvement in March 2017 in line with the national business planning timetable. As the underpinning planning and delivery support document it details the key issues and risks facing the Trust

- Risk:
- Cost improvement plan/synergies 2017/8: The Trust's planned position for 2017/18 is dependent upon the delivery of the £25.9m CIP target and all other aspects of the financial/operational plan. The achievement of the Trust's financial plan underpins the delivery of its clinical services strategy and all other high-level strategies (estates, IT etc.). A series of CEO-led 'deep dive' review sessions have been established to scrutinise service-specific savings plans in addition to the general oversight provided by the Finance and Investment Committee.
  - Growth in non-elective demand above plan: The Trust is responsible for providing care to an ageing local patient population with non-elective activity levels increasing in excess of commissioning projections. In addition, there continues to be an increase in the presentation of complex patients with multiple comorbidities brought about by demographic changes. The Trust is working with local commissioners on admission avoidance and early supported discharge strategies to ensure the appropriate use of acute inpatient beds. The Trust is continuing to roll out ambulatory care services to redirect appropriate non-elective patients and has invested in its A&E departments on both sites to accommodate current and future demand growth. This risk will be monitored directly by the Board.
  - Staffing capacity: Across the Trust, there are areas of high vacancy rates as a result of high staff turnover and the inability to recruit to all vacant posts. This has an adverse impact upon service provision and increases the Trust's reliance on agency staff which attracts premium rates. The Trust is undertaking a further review of its establishment panel process for roles and has restructured its HR and corporate nursing directorates to bring greater senior input to these issues. The Trust has also developed a refreshed recruitment and retention strategy. This work is being overseen by the People and Organisational Development Committee.
  - Delivery of the quality strategy and maintenance of quality standards: Multiple potential risks or threats to maintenance of quality of care as set out by quality strategy and other regulatory compliance frameworks such as the Care Quality Commission (CQC). The Trust is considering options for a system that will systematically produce 'real-time' assessments of quality performance in each clinical area. The Trust will embed the quality account's priorities within its monthly integrated quality and performance report to ensure that these KPIs remain on track for delivery.
  - Communications: Multiple risks that our patients, our staff and our partners are not engaged in and with the services we provide resulting in poor design and delivery, adverse impact on outcomes, patient experience and use of resource - specifically poor recruitment and retention of workforce. This is compounded by the number of contractual, regulatory, professional and user relationships within the system, significant change in the health and care system – including our own Integration Programme. The Trust has undertaken significant mapping to support Stakeholder Management to better prioritise and is using its



PROUD to Care Values & Culture work to underpin a refreshed communications plan to mitigate and manage risks.

- Cyber security: Risks to Trust data and infrastructure. A cyber security incident can result in data being stolen or destroyed, altered or ransomed. A cyber security incident can result in all or part of a Trust ICT infrastructure being disabled or destroyed with a prolonged period of recovery.

5 The Board has identified clear roles with accountability for leadership of quality issues. The board scrutinises quality at each Board meeting through:

- The Performance & Quality Report (which provides comprehensive and up-to-date information on the quality of care). This integrated performance report is scrutinised by the Quality Committee and then presented to the Board Public, the Council of Governors Quality Sub-Committee and the Council of Governors.
- Patient safety incident reporting. In 2016 the Trust implemented a new and improved version of DatixWeb. This latest available upgrade was customised in-house, resulting in a bespoke patient safety reporting and learning system rolled out across all hospital sites.
- Patient safety incidents continue to be reviewed on a daily basis by the Quality and Clinical Governance team who escalate or take appropriate action when necessary.
- Serious incidents are investigated and the findings used to inform learning and quality improvement.
- Root cause analysis training was introduced from May 2017 in line with national standards.
- Serious incident root cause analysis reports continue to be reviewed at both local level through morbidity and mortality meetings or quality and risk meetings and also at Board level via the monthly serious incident report.
- Patient Experience Narrative - where patients or carers are invited to present to Board orally;
- Compliance Updates

The Board Quality Committee scrutinises reports from:

- The Clinical Effectiveness Group, chaired by the Deputy Medical Director
- The Patient Safety Group, chaired by the Medical Director
- The Patient Experience Group, chaired by the Chief Nurse
- The Health, Safety & Environment Risk Group, chaired by the Director of Quality Improvement

Mortality surveillance assurance is provided through:



- detailed analysis of information from HES, SHMI, Dr Fosters and the internal mortality reviews.
- A dedicated mortality review module, developed within the Datix Safety.
- Learning system; the module provides a single repository for all in-hospital deaths and provides a platform for the recording and analysis of consultant led case reviews.
- Mortality Management Plan, which identifies trends requiring further investigation or Trust response.

Service Strategies and Cost Improvement Plans (CIPs) are scrutinised through Quality Impact Assessments (QIAs) to ensure that any development or financial initiative will not have an adverse impact upon quality issues.

The Trust actively participates with the local CCGs on these matters through monthly commissioning quality group meetings. We encourage and use direct patient feedback through multiple formal and informal mechanisms. Formal mechanisms include regular use of friends and family data, complaints themes and positive feedback. Informally we encourage and act upon any feedback to any member of staff, governor or volunteer. In addition there are direct routes in which and staff can raise risks and concerns other than by formal committee route or structures.

Risk: The NHS Improvement risk assurance framework shows performance as within target for 2016/17 other than in:

- Cancer: two week wait from referral to date first seen comprising all cancers
- Referral to treatment waiting times <18 weeks—incompletes

It should be noted that the external auditor has issued a qualified opinion in respect of the Trust's calculation of the RTT and A&E performance measures.

In addition, the risks identified in Assurance 4 above all impact on quality, and remain:

- Cost improvement plan/synergies 2017/8
- Growth in non-elective demand above plan
- Staffing capacity
- Delivery of the quality strategy and maintenance of quality standards
- Communications
- Cyber security



6 In 2016/17, the executive has been extended further by the appointment of an Interim Director of Communications and in 2017/18 by the appointment of the Chief Nurse and two Directors of Nursing to provide stability.

The Trust's Divisional structure provides strong clinical and management leadership and provides the Executive Team with the service delivery.

In addition, the Trust is the only 'Top 30 Employer for Working Families' NHS Trust. In 2016/17 we launched a suite of leadership development training, an Established Leaders programme and Emerging Leaders programme, involving over 100 staff from multiple disciplines. We also launched our new PROUD to care values:

- Putting patients first
- Responsive to, and supportive of, patients and staff
- Open, welcoming and honest
- Unfailingly kind, treating everyone with respect, compassion and dignity
- Determined to develop our skills and continuously improve the quality of our care

The Trust has revised contractual and operational arrangements for the management of temporary staffing through a range of initiatives, including an innovative solution for junior doctors bank called FlexiStaff+ which has significantly reduced our reliance on medical agency workers. We will roll out FlexiStaff+ to Chelsea and Westminster Hospital from April 2017.

Risk: Challenges in clinical recruitment and retention in line with employment market conditions

### **Certification on training of governors: assurance**

Induction is provided to new governors ; budget is allocated for governors to attend GovernWell training courses to ensure governors are equipped with the skills and knowledge required to undertake their role.

The regular reports from the Chief Executive Officer further support governor development and understanding of the Trust.

Risk: There are no known risks to compliance with this area.