

Risk reference:	IBP05 The future national economic environment reduces resources to the NHS and/or increases the NHS efficiency targets.		
Identified in:	IBP 7.4 National, economic and policy		
Risk Analysis			
Underlying causes <i>How do you see those causes now – have they changed, are there new factors?</i>	<p>There is both a short term current challenge i.e. the existing £20 billion NHS efficiency challenge and the future medium/long term challenge of further major efficiency requirements i.e. the £30 billion reported by David Nicholson in July 2013.</p> <p>Whilst this is a national challenge it translates to AWP on a local level via our current commissioning contractual income and also our ability to be agile and innovative in addressing the growing population numbers that need treating within a shrinking financial envelope.</p> <p>Changes to welfare reform will also impact on AWP given increasing numbers of service users who will no longer have access to state benefits alongside considerable impact on social care.</p> <p>The challenge to AWP is to deliver c.4.5% cost reduction plans from 13/14 onwards.</p>		
Risk Management			
Current controls <i>Are you assured that these controls are effective, sustainable and evidenced? Would you do more, or has the risk reduced so that resources can be redirected?</i>	<p>Short term – the environment is described in the current 2013/14 Operating Plan and the 2014/15 Plans. The Trust system controls are (a) the business planning process from which Cost Improvement Plans are identified, developed and agreed (b) the establishment of the Programme Management Office (c) the Trust Information Quality system and associated performance management through Senior Management Team, Executive team, Finance and Planning Committee and the Board (d) the Quality and Standards Committee that ensures CIP's do not adversely impact on quality and finally (e) through operational locality and corporate management structures effectively owning and implementing CIP's (note this risk is also covered by risk FIN 07).</p> <p>Additionally AWP recognises the need to establish and develop partnerships with other statutory and voluntary providers to maximise the resources available to the health and social care economy.</p> <p>Medium/Long term – this is 2015/16 and beyond. The controls build on the short term controls but also include (a) the Trust Quality Academy which will identify effective clinical interventions along care pathways (b) West of England Academic Health Science Network which will facilitate the sharing of innovation and good practice (c) the further development of the Trusts workforce strategy which will ensure the Trusts staff align to the needs of service users and carers in a sustainable way and (d) further development of the Trusts Organisational Development strategy which will include work-streams that ensure the Trust has the culture and tools to eliminate waste in the delivery of services.</p>		
Current risk scores <i>Would you want to change these?</i>	Probability 5	Severity 4	Rating 20

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<i>If you've changed the scores, any comments?</i>	The initial score of 12 (July 2013) reflects a combined score of both short and medium/long term risk this has been raised to 20 as the short term risks probability of the risk crystallising has increased from 3 to 5, however the severity stays the same at 4
Planned controls <i>If more needs to be done, what do you suggest – and what are the limitations or constraints?</i>	<p>The high level planned controls are appropriate, however the key issue is the robustness and rigour underlying some of these controls and the newness of a significant number of the appointments on which these controls rely on. However these changes of structures, processes and appointments is also a significant opportunity to look at old problems with a fresh “pair of eyes”.</p> <p>This is evidenced by the Finance and Planning Committee requesting that all CIP's approved in March 2013 under the old SBU management structures were owned by the new Locality management teams that came into being in April 2013. This re-ownership also included resubmitted CIP quality impact assessment back to the Quality and Standards committee</p> <p>Therefore it is recommended that SMT provide additional oversight and action to ensure the implementation of the short term Cost Improvement Programme in 2013/14 and 2014/15</p> <p>Update since July 2013 – SMT and therefore the new Localities have been significantly involved in CIP ownership since April 2013 (see above). The Finance and Planning Committee has been receiving regular reports on CIP performance since July 2013 and detailed financial outturn forecasts since August 2013. Finally the Trust Board were updated by the Executive at the September 2013 meeting on a revised financial plan for 2013/14 and a detailed part 2 discussion is on the Trust Board agenda for October 2013.</p> <p>There is a weekly CIP Assurance meeting chaired by the Deputy CEO at which all ET attend to review the current CIP programme and to identify and resolve any blocks to the delivery of this.</p> <p>Performance and Contract Management Meeting held monthly assures SMT, ET and the Board of any issues – financial, activity and or quality related raised by or to the CCGs. This and the locality performance meetings with the CCGs will enhance relationships, trust and understanding of commissioning plans.</p>
Date actions to be delivered <i>Is that date realistic in your view? Should the deadline be brought forward, or even relaxed? Why?</i>	Board discussion to take place at meeting on 30 October 2013.
Risk Assurance	
Progress <i>Are you satisfied that the progress reported really has made a difference – is there evidence to</i>	The Trusts short term governance systems and processes are working because a significant issue has been identified around the implementation of the March 2013 CIP programme for 2013/14

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<i>support that? Do you know of further progress that isn't yet recorded?</i>	<p>The key short term challenges are to ensure (a) the 2013/14 programme target of £9.3m is achieved and (b) ensure the 2014/15 CIP is reassessed and owned.</p> <p>With regard to the medium/long term it is essential that the new Trust structures, systems and processes are all up and running ASAP and checked to ensure they are working effectively</p> <p>Reflection since July 2013 – SMT and therefore the new Localities have been significantly involved in CIP ownership since April 2013 (see above). The Finance and Planning Committee has been receiving regular reports on CIP performance since July 2013 and detailed financial outturn forecasts since August 2013. Finally the Trust Board were updated by the Executive at the September 2013 meeting on a revised financial plan for 2013/14 and a detailed part 2 discussion is on the Trust Board agenda for October 2013. The risks have been identified and escalated through the appropriate risk management processes i.e. it is a “known known”. However the failure in assurance has been the effective and timely mitigation of the risks through the effective working of the new Trust structures, systems and processes i.e. transitional challenges in 2013.</p> <p>The Trusts Business Planning Framework and revised Process for 14/15 complements the commissioners contracting timelines and ensures the trust will reflect these in its own CIPS and Budget. The framework gives a process for continual review of the trusts strategic priorities and quality plans.</p>		
Target risk scores <i>Would you want to change these?</i>	Probability 3	Severity 3	Rating 9
<i>If you've changed the scores, any comments?</i>	The previous Trust Board target score was 2x2=4, however given recent internal and external events it is recommended to increase this target score to a more realistic 3x3=9 (July		
Further comments <i>Please add any further thoughts or comments you have.</i>	The deep dive above has been produced on the basis that the key challenge is a transitional challenge and the new structures, systems and processes will be in bedded and effective for 2014/15.		
Deep-dive review made by:	Paul Miller Sue Hall and Kristin Dominy		
Date of review:	18 October 2013		