United Lincolnshire Hospitals **NHS**

NHS Trust

To:	**Trust Board**
From:	Kevin Turner, Deputy Chief Executive
Date:	4th April 2017

Title:	**Strategic Risk Management Report**

Responsible Director: Kevin Turner, Deputy Chief Executive

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Purpose of the Report:
The purpose of this report is to provide the Trust Board with an update on:

- Progress for implementing the Improvement Plan for Risk Management.
- Monthly update of the Integrated Strategic Risk Register and the Board Assurance Framework.

The Report is provided to the Board for:

Decision		Discussion	✓
Assurance	✓	Information	✓

Summary/Key Points:
To provide the Trust Board with an:

- Update on the progress of improving risk management for the Trust.
- Update report on the current Integrated Strategic Risk Register and Board Assurance Framework.

Recommendations:

- That the Trust Board notes the progress of refreshing the risk management processes, accountability and assurance framework.
- That the Trust Board notes the position of the Integrated Strategic Risk Register and Board Assurance Framework.

Strategic Risk Register	**Performance KPIs year to date**
The Strategic Risk Register has been Integrated with the Board Assurance Framework, and is presented to each of the Committees to provide assurance that they have escalated issues.	The Strategic Risk Register will identify the key risks to delivering the Two Year Integrated Operational Plan and the 2021 Strategy for the Trust.

Resource Implications (e.g. Financial, HR)
The Strategic Risk Management Group is coordinating the delivery of a Risk Management Improvement Plan, which includes a critical path of delivery to ensure effective structures are in place to enable service areas demonstrate the leadership, management, accountability and reporting on escalating and reporting on risks.

Assurance Implications

Risk management is the recognition and effective management of all threats and opportunities that may have an impact on ULHT's reputation, its ability to deliver its statutory responsibilities and the achievement of its vision, aims, objectives and values. This report forms part of the assurance framework for the Trust outlined in the Risk Management Strategy, Policy and supporting Procedures.

Patient and Public Involvement (PPI) Implications
The risk management process covers all Clinical and Executive Directors who will have risk registers that will feed up through the appropriate risk registers, Operational, Corporate Risk Register and the Strategic Risk Register. The risk management processes will be managed by the Deputy Chief Executive, with the Strategic Risk Management Group providing challenge on the recorded risks to provide assurance to the Committees and Trust Board on their management and mitigation. Risk management should minimise the potential for harm to service users/patients, staff and visitors to as low as is reasonably practicable, thereby providing a safe environment in which patients can be cared for, staff can work and the public can visit.

Equality Impact
There is work being undertaken to develop an Equality Analysis for the 2021 Strategy and supporting Programme, this will support the Strategic Risk Register. **Appendix A** provides an Equality Assessment for Risk Management.

Information exempt from Disclosure – Yes

Requirement for further review? Yes

1. Purpose of the Report

1.1 The purpose of this report is to provide a monthly update to the Trust Board on the management of the current Integrated Strategic Risk Register and Board Assurance Framework.

1.2 This report also provides an update on the progress of improving the management, monitoring and reporting of risk as agreed through refreshing our risk management approaches for the Trust.

2. Recommendations

2.1 That the Trust Board notes the position of the Integrated Strategic Risk Register and Board Assurance Framework.

2.3 That the Trust Board notes the progress of refreshing the risk management processes, accountability and assurance framework.

3. Reasons for Recommendations

Risk Management Improvement Programme

3.1 To provide an update of the continuing developments to strengthen the current risk management processes through improving our risk governance, assurance and accountability. This will enable the Trust to manage the delivery of the vision, strategic aims and objectives and have the appropriate escalation processes in place to identify priorities for the 2021 Strategy and delivery of the Two Year Operational Plan, together with ensuring robust management, mitigation and monitoring of risks.

Strategic Risk Register

3.2 The Trust has agreed a new Integrated Strategic Risk Register and Board Assurance Framework which assists the Trust to manage uncertainties and maximise the

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likelihood that we achieve our goals set out in our Two Year Integrated Operational Plan, our 2021 Strategy and core strategies.

Corporate Risk Register

3.3   There have been reports which forms part of the monthly risk governance reporting process for each of the Trust's Committees to update and provide assurance that the Corporate Risk Register is being managed, monitored and reporting on the progress of mitigation actions.

4.   Summary of Key Points

Risk Management Governance

4.1   There is ongoing work to improve the governance, monitoring and management of risk to provide assurance to the Trust Board. Each of the Committees review the Corporate Risk Register together with the Integrated Strategic Risk Register and Board Assurance Framework with a view to escalating issues as appropriate to the Trust Board. A copy of the current Integrated Strategic Risk Register is attached at **Appendix B.**

4.2   The Strategic Risk Management Group which has been introduced as part of strengthening the risk governance for the Trust has the following aims:

- **Champion** risk management principles and process, on a Trust wide basis to ensure it becomes embedded.
- **Maintain** an integrated and consistent approach to risk management.
- Act as a forum for **developing** risk management solutions through the exchange of views and sharing good practice.

4.3   There is a Risk Validation Group that reviews each of the new and closed risks, this Group should challenge the information on the Risk Registers to ensure that risks are clearly defined, scored appropriately and have the up to date reviewed information on mitigation actions.

Redraft of the Risk Management Strategy

4.4   There has been work to redraft the Trust's Risk Management Strategy, aligned to the requirements of the Trust's 2021 Strategy and Integrated Operational Plan, and to set out the systems, processes and responsibilities for the management of risk; taking account of the requirements of the Department of Health and relevant external regulatory bodies.

4.5   There is a need to refresh the current Risk Strategy, to describe a more robust assurance framework which will enable the implementation and promote continuous improvement of the management of risks, and encourage a culture of safety through robust risk management

Redraft of the Risk Management Policy and Procedures

4.6   To support the refresh of the Risk Strategy, there has also been ongoing work to redraft the Risk Policy and Procedures. The Policy sets out how to identify and asses risks and the processes which we should be following to minimise and manage identified risks using a consistent approach to risk management. The policy highlights

the organisational responsibilities, with the risk procedures identifying the detailed processes from identification, assessment, evaluation, management and mitigation through to the sharing of lessons.

4.7 There is planned work with key stakeholders across the Trust to ensure that a definition of risk and local management is captured in these documents supported by robust training, identification of roles and responsibilities which form part of the accountability framework.

DATIX Recovery / Programme Management

4.8 Since the set-up of a DATIX Recovery Group last November, there has been work to identify the requirements of a risk reporting system, with the drafting of a Business Case identifying options, which include the upgrading of DATIX and other options to review the most appropriate risk reporting system for the Trust.

4.9 This work has also included the building of a specification requirement from all the DATIX key stakeholders. There has also been work to identify the key issues of why DATIX is not working well for the Trust, with a "snagging list" of key improvement requirements for the system going forward. This includes clear definitions, clarity of access to the system and alignment to internal governance arrangements for approval status and reviewing.

4.10 The upgrades to the system are being prepared in a "holding area" for the Trust, to test the environment before role out.

Progress of the improvement programme for the organisational approach to risk management

4.11 Through the Strategic Risk Management Group, there has been an evidence based self-assessment conducted which has presented an Improvement Plan which the Group monitors and managers delivery against the following ten domains:

1. Leadership and Governance
2. Policy and Strategy
3. Reporting Structures
4. Risk Registers
5. Systems and Processes
6. Risk Assessment
7. Roles and Responsibilities
8. External Stakeholder Risks
9. Training and Communication
10. Monitoring and Review

4.12 This self-assessment raised a risk to the capacity and capability of the Risk Management Team, to ensure risk and incident management is improved to not only cope with everyday transactional activity demands for business and incident risk management, but to set up a transitional improvement programme for the longer term ability for the Trust to robustly manage risk. The Executive Team have approved to temporarily strengthen the Risk Management Team with three secondments for a year to the Team. These additional resources are currently in the process of recruitment.

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4.13 From the beginning of November there has been work to review the Corporate Risk Register, involving contacting all the Risk Handlers, Risk Managers and Business Units to review gaps and update the Risk Register.

4.14 This review has identified key improvements to definitions in DATIX, scores and completion of mitigation actions for monitoring by the Strategic Risk Management Group.

4.15 However, due to capacity issues this work has not progressed in line with the intended plans to be led by the Risk Manager, it has however been supported by additional support from an external specialist who assisted for a set number of days. This has helped progress refreshing the Strategy, Policy and Procedures. There has now been appointed a temporary Project Manager to progress the cleansing of the Risk Register working with the Risk Manager. This has led to a partial cleansing of the registers for February over a couple of weeks, but will be dedicated through March and April to cleanse the risk registers.

4.16 Going forward, the Strategic Risk Management Group will be provided clarity of the status and proposals for all closed and open risks, which will form part of the assurance statement of Committee Reports.

Integrated Strategic Risk Register

4.17 Risk management is a tool that allows us to manage uncertainties and maximise the likelihood that we achieve our goals set out in our Five Year Strategy and Integrated Annual Operational Plan and core strategies. Risk management should not be seen as a separate activity, but should be embedded in every-day management activities and aligned with the service and business planning processes.

4.18 Currently each strategic risk is assigned to an Executive Lead who has responsibility for the management of controls and the implementation of new controls where necessary. These have been updated by the Executive Leads to reflect the current controls in place.

4.19 The Integrated Strategic Risk Register and Board Assurance Framework has been presented to the Trust Board's Committees as part of the governance processes to enable challenge and escalation to the Trust Board.

Benefits of Risk Management

4.20 The Strategic Risk Management Group will identify and report on the benefits of improving the risk management processes which will include:

- Risk management forms part of good governance.
- Effective and proactive risk management should improve performance by contributing to ensuring the safety of patients, staff and others.
- Improved outcomes and experience for patients better service delivery and identifying opportunities when dealing with risk.
- Protecting our reputation and stakeholder confidence.
- Reduction in management time spent fire-fighting.
- Increased likelihood of change and transformation initiatives being achieved.
- More focus internally on doing the right things properly.
- Better basis for strategy setting and decision making.
- Clarity of accountabilities and responsibilities.

- More efficient use of resources, less risk of wastage or loss, including fraud.
- Improve innovation and ability to turn uncertainty into opportunities.
- Contingency planning and response.

Lessons Learned

4.21   The improvement planning is identifying key themes of improvement for:

- Lines of accountability need to be clearer for business units and departments, aligned to quality assurance mechanisms such as Performance Review.
- Compliance in-line with policy and procedures.
- Clear outline of roles and responsibilities.
- A need for a rolling programme of training and awareness of risk management.
- Promotion of the benefits of risk management.

Feedback from the Trust Board

4.22   Each of the Trust Board Committees and Trust Board feedback risk information which is either identified as part of the Strategic Risk Register or provided information for the Corporate Risk Register.