**NHS**
**United Lincolnshire**
**Hospitals**
**NHS Trust**

| To: | **Trust Board** |
|---|---|
| **From:** | Medical Director |
| **Date:** | February 2018 |

| Title: | **Report on Risk Management** |
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**Responsible Director:** Dr Hepburn, Medical Director

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**Purpose of the Report:**

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

- The progress of implementing the Improvement Plan for risk management.
- The position of cleansing and improving the management, monitoring and reporting of the Corporate and Operational Risks.
- The position of the Integrated Strategic Risk Register and 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 strengthening risk management, reporting and assurance for the Trust.
- Update report on the current Integrated Strategic Risk Register and Board Assurance Framework.
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**Recommendations:**
- That the Trust Board notes the progress of strengthening 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 the risks are being managed against the strategic aims and objectives of the | The Integrated Strategic Risk Register and Board Assurance Framework is aligned to the strategic objectives set out in the 2017/19 Integrated Two Year Operational Plan. |

| organisation. | |
|---|---|

**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 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 into the Corporate Risk Register and the Integrated Strategic Risk Register. The risk assessment process includes domains for patient safety. There is also ongoing work to ensure that the Risk Management Governance has a clear link through to the Clinical Quality and Corporate Governance for the Trust.

**Equality Impact**

There is an Equality Assessment for Risk Management attached at **Appendix A.**

**Information exempt from Disclosure –** Yes

**Requirement for further review?** Yes

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## 1. Purpose of the Report

1.1 This report is presented to the Trust Board to review the Integrated Strategic Risk Register and Board Assurance Framework following the review of the risks from the December 2017 Committee meetings.

1.2 The risks are shaped around the Trust's strategic objectives to provide assurance of the ongoing mitigation and management of risks by the Trust's Executive Team and the assurance through the Committees of the Trust Board.

## 2. Recommendations

2.1 That the Trust Board notes the progress made to improve the risk management processes and the position of the Integrated Strategic Risk Register and Board Assurance Framework.

## 3. Reasons for Recommendations

### NHS Contract

3.1 There is a requirement to provide a quarterly assurance report to the CCGs on the delivery of the Service Development Improvement Plan requirements of the 2017-19 NHS Contract between ULHT and Lincolnshire CCGs under the following conditions:

- Service Condition - SC33: Incidents That Require Reporting (Schedule 6) Serious Incidents, Never Events and Adverse Incidents that occur within the Trust.
- Duty of Candour – (Contained within the National Quality Requirements).

- Risk Register - Reference number LQR 23 in the 2017 – 19 Quality Schedule.

**Risk Management Improvement Plan**

3.2 Following the external review of governance in May of 2017 the trust has employed an Interim Associate Director of Clinical Governance to oversee the implementation of a revised staffing structure. The trust has recognised that investment is required to strengthen the clinical governance from specialty and directorate through to Trust Board. It is planned to have the majority of the new structure in place by March 31st 2018.

The Incident Management and Duty of Candour Improvement plans are being monitored by the Quality and Safety Improvement Board.

**Cleaning the Corporate and Operational Risk Registers**

3.3 This report provides an overview of the current governance processes in place for ensuring that risks are being actively managed, reported and mitigated across the organisation.

3.4 Currently the risks captured on the current DATIX risk system rated ≥15 are classed as Corporate Risks and they are escalated to the Trust Sub Board Committees and Trust Board as appropriate.

3.5 There has been continuing work to cleanse the current Corporate Risk Register and the Operational Risk Register as part of the priority improvements, this is reported through to 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.

**Strategic Risk Register**

3.6 The Trust Board has agreed an Integrated Strategic Risk Register and Board Assurance Framework which outlines the risks against the delivery of the strategic aims and objectives. This enables the Trust to manage uncertainties and maximise the likelihood that we achieve our vision through the delivery of the strategic objectives.

3.7 The Strategic Risk Register is reported to each of the Trust's Committees to review their strategic risks and ensure that they have assurance that mitigation action is in place, together with escalating any risk issues to the Trust Board if assurance is not provided.

**Summary of Key Points**

**NHS Contract**

4.1 As part of the 2017/19 NHS Contract between ULHT and Lincolnshire CCGs, there is an agreement that elements of the Service Development Improvement Plan (SDIP) will be subject to quarterly reporting to the CCGs to demonstrate improvements to risk management at LQR 23. The following **Table 1** provides the requirements for the Trust to meet.

**Table 1: Service Development Improvement Plan ULHT and Lincolnshire CCGs**

| 3) Risk Register, Reference number LQR 23 in the 2017 – 19 Quality Schedule | A detailed programme plan shall be submitted by the trust no later than the end of Q1 2017 (30.06.17), detailing the following: |
|---|---|
| **Reason for Inclusion** The effective management of risk is crucial in delivering safe healthcare to the population of Lincolnshire | • Gantt chart & supporting narrative • Activity for Q2, 3 & 4 detailing how this Local Quality Indicator shall be fully achieved by the end of Q4 (31.03.18) • The above plan shall be refreshed & re-issued to the CCG at the end of each quarter |
| Performance to Date • 2015 –16 Q1 = Green Q2 = Green Q3 = Green Q4 = Green • 2016 – 17, Q1 = Red, Q2 = Red | The CCG shall use the evidence from the Service Condition reporting to determine the level of assurance |

The progress to date for Q1, Q2 and Q3 for 2017/18 is Green.

**Corporate Risk Register**

4.2 The Corporate Risk Register as of 31st January 2018 had 128 risks identified with all of them having gone through a continuous data quality process. This exercise has involved the validation of each risk with each Risk Handler to determine whether each risk is still open and valid, that they are all clearly defined and scored, that mitigation evidence is fully captured, together with identifying and capturing clear evidence of audit trails of actions and associated governance signoff.

4.3 The aim is to provide the support for Risk Handlers to ensure that risk management forms part of their business as usual processes of management and local governance. There will be ongoing work to capture new and emerging risks and demonstrate proactive risk management through horizon scanning.

4.4 The following graph identifies the split over time for the Corporate Risks by their scores, overall there is a slight increase in 15 rated risks, with a slight decline of 20 rated risks:

**Graph 1: Corporate Risk Score Split**
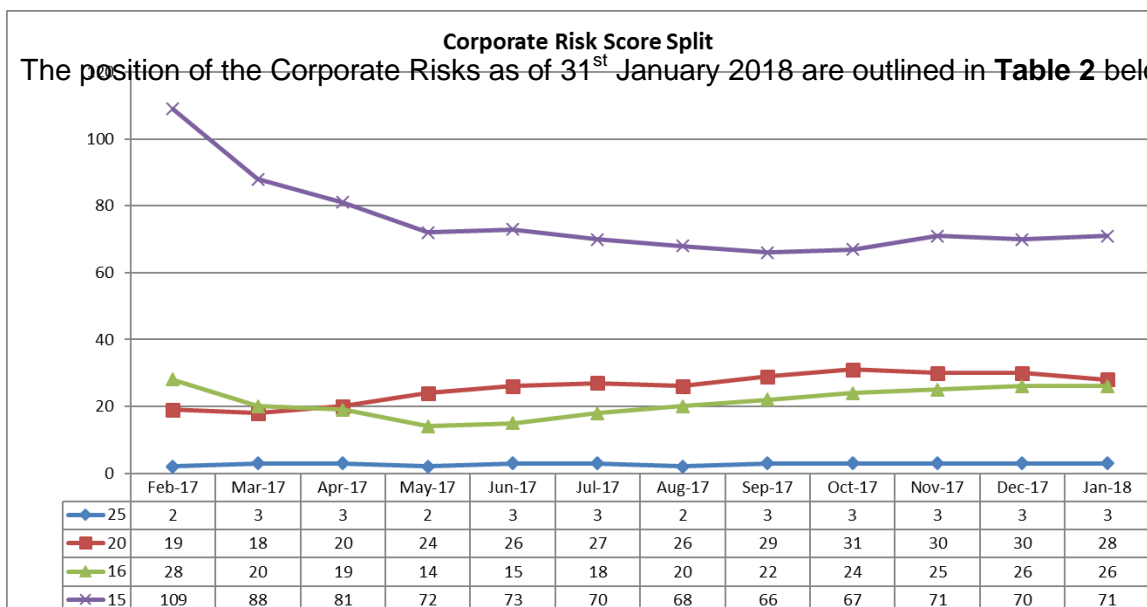
4.5 The position of the Corporate Risks as of 31st January 2018 are outlined in **Table 2** below.

**Corporate Risk Score Split**

| | Feb-17 | Mar-17 | Apr-17 | May-17 | Jun-17 | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Jan-18 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25 | 2 | 3 | 3 | 2 | 3 | 3 | 2 | 3 | 3 | 3 | 3 | 3 |
| 20 | 19 | 18 | 20 | 24 | 26 | 27 | 26 | 29 | 31 | 30 | 30 | 28 |
| 16 | 28 | 20 | 19 | 14 | 15 | 18 | 20 | 22 | 24 | 25 | 26 | 26 |
| 15 | 109 | 88 | 81 | 72 | 73 | 70 | 68 | 66 | 67 | 71 | 70 | 71 |

**Table 2: Status of Risks**

| Overall Risk Register | 437 |
|---|---|
| Corporate Risks | 128 |
| Operational Risks | 300 |
| Proposed new risks | 29 (12 corporate risks) |
| Proposed closed risks | 19 (6 corporate risks) |

4.6     The majority of the risks are at Lincoln followed by Pilgrim.

**Graph 2: Distribution of Corporate Risks by location**
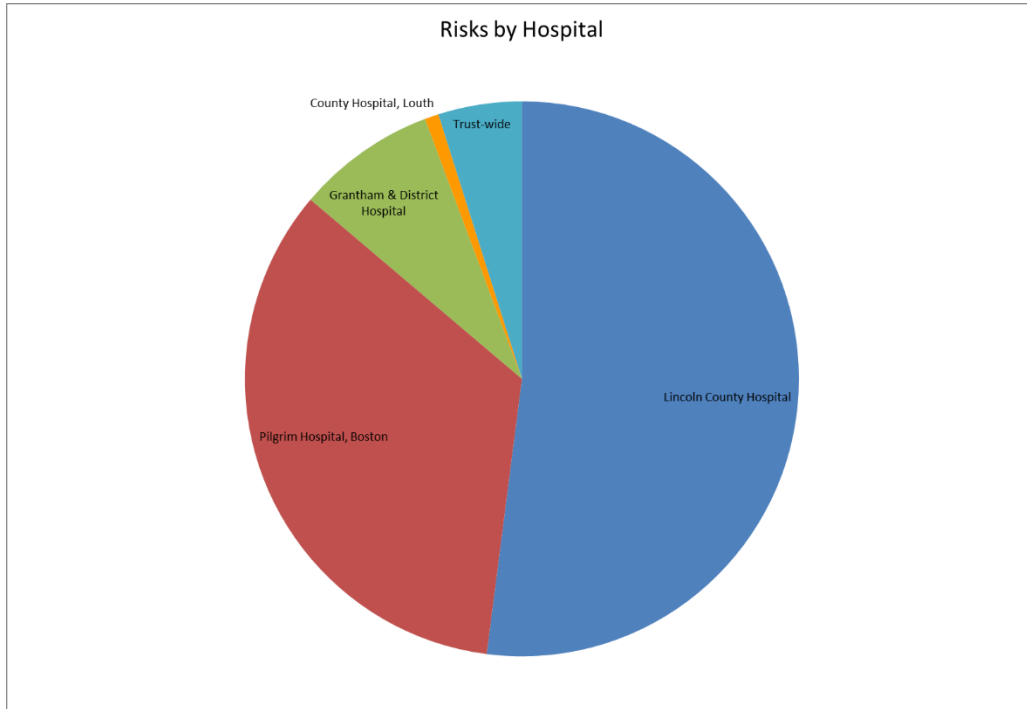


4.7     The distribution by Directorates risks are broken down as follows demonstrating that there are the greatest number of Corporate risks in Corporate Services, followed by CSS:

**Graph 3: Distribution of Corporate Risks by Directorate**



Risks by Directorate
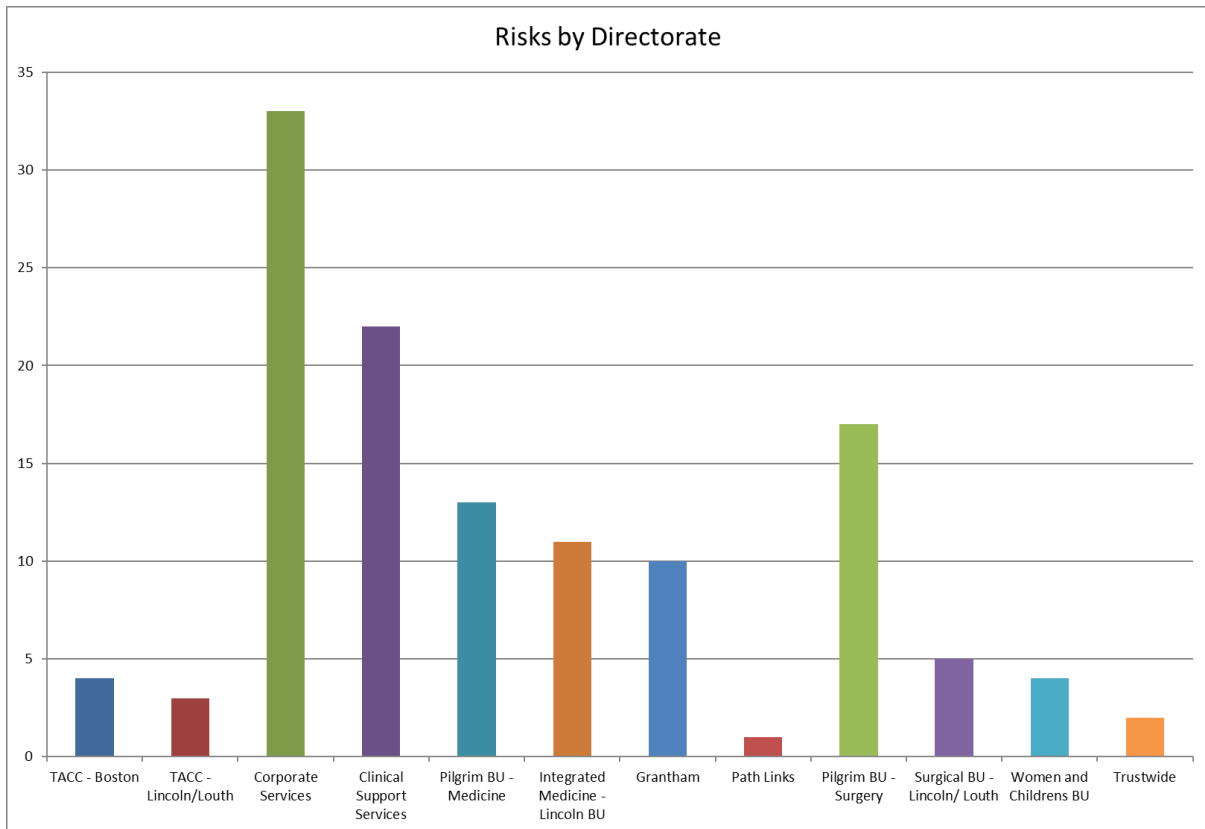
4.8     The key Datix categories are highlighted below:

**Graph 4: Distribution of Corporate Risks by type**
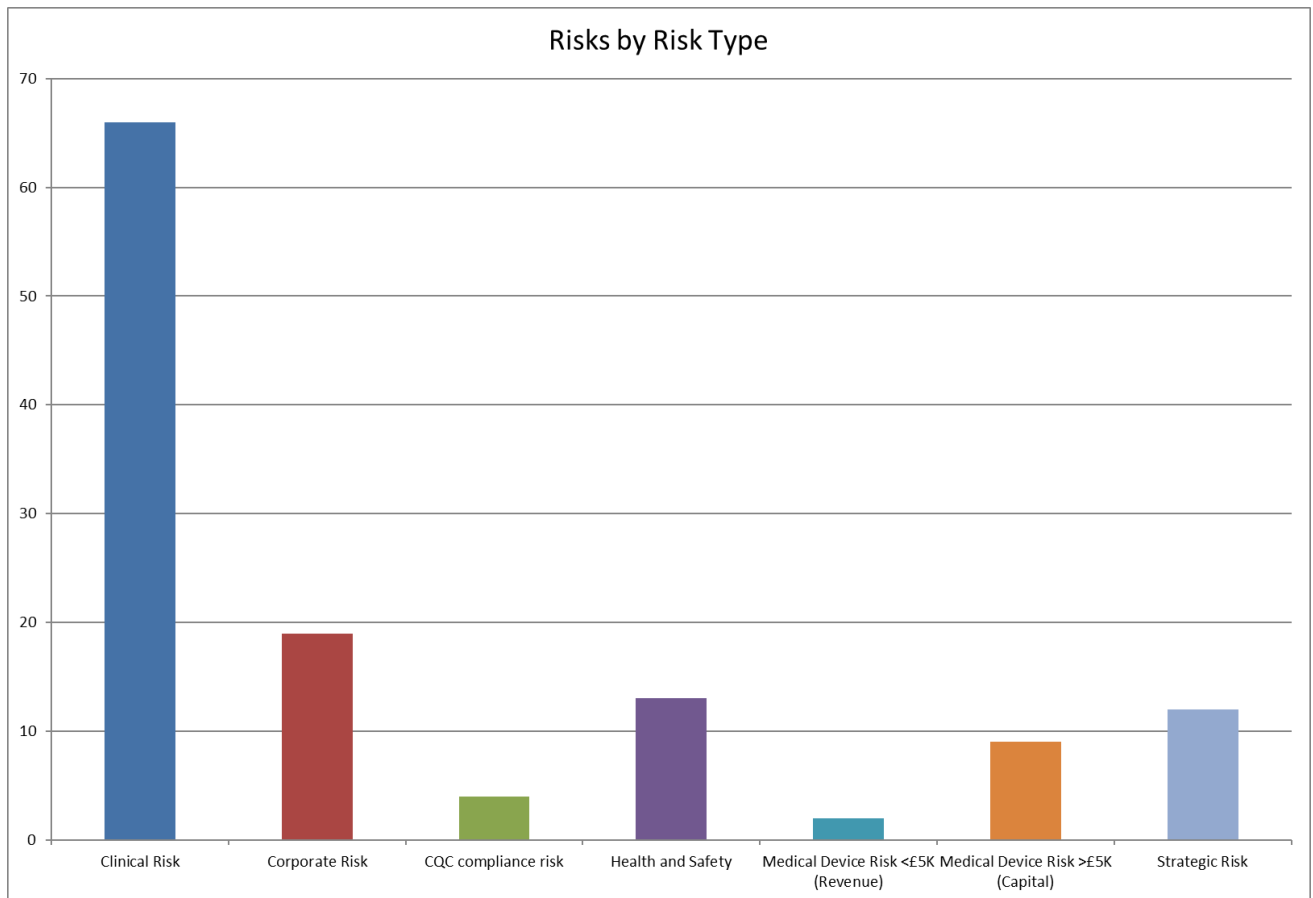


**Proposed New Corporate Risks that have been recorded on DATIX in January 2018**

4.9     There was a total of 29 new risks recorded on DATIX in January 2018. 12 of these were Corporate Risks and are attached.

**Proposed Corporate Risks reported on DATIX to be removed in January 2018**

4.10    There was a total of 19 risks closed on DATIX in January 2018. 6 of these were Corporate Risk and are attached.

**Strategic Risk Register**

4.11    The refreshed Integrated Strategic Risk Register and Board Assurance Framework is reviewed each month as part of the assurance of each of the Trust's Committees which:

- Have restructured agendas around risk management aligned to the strategic objectives and seeking assurance against the strategic risks.
- Provide a detailed review of each strategic risk, seeking assurance on the effectiveness of mitigation plans, controls and updates and evidence.
- Each of the Trust's Committees will have an upward report to show escalation and overall assurance of their risks.

4.12    Currently each strategic risk is assigned to an Executive Lead who has responsibility for the management of the controls, the implementation of new controls where necessary and the monitoring of the mitigation plans and actions. These updates are provided as part of the overall reporting of the Integrated Strategic Risk Register and Board Assurance Framework, which is attached as **Appendix B**.

4.13    The Integrated Strategic Risk Register and Board Assurance Framework is presented to the relevant Trust Committees who are being supported with "deep dive" reviews of the strategic risks.

**Benefits being realised**

4.14    There is continuous progress being made to improve risk management, with emphasis being place on working with the Risk owners and their relevant Directorates to ensure clarity of the risks and identify key actions and mitigations which can be demonstrated as being delivered through their local governance arrangements.

**Lessons Learned**

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

- Improved patient safety through improved risk management and incident management.
- Clearer lines of accountability for Clinical Directorates and Corporate Directorates, aligned to quality assurance and review processes.
- Improved compliance in-line with statutory requirements, standards, policy and procedures.
- Clearer outline of roles, responsibilities and accountabilities.
- Supporting rolling programme of training and awareness of risk management.
- Promotion of the benefits of risk management and feedback to operational areas for the improvements to the Trust for recording, monitoring and management of risks to improve safety.
- Improved information and feedback will improve the culture of safety.
- Refreshing of the Datix system which will improve information, reporting and feedback to users.