



Improving  
quality

# RISK MANAGEMENT STRATEGY

2016 - 2019

*Excellence in Neuroscience*



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# 1. Introduction and Scope of the Strategy

The Walton Centre NHS Foundation Trust provides services to a diverse range of people across a wide footprint in an ever-changing environment. As such the potential for disruption to services, the impact on patient experience and the loss or damage to assets from a range of risks is inherent. Therefore, it is essential that the Trust takes appropriate action through active risk management to minimise the potential for this disruption, loss or damage.

This Strategy acknowledges the current positive arrangements for managing risk and sets out the Trust's objectives for further improving the management of risk at a strategic level; it describes the risk management assurance framework that is in place and aims to ensure that associated thinking and practice is embedded in everyday processes, policies and activity.

This Strategy will further develop the Trust's framework within which the Trust leads, directs and controls the risks to its key functions in order to:

- Comply with relevant legislation
- Monitor Terms of Authorisation
- Monitor key regulatory requirements e.g. Care Quality Commission
- Help the Trust to achieve its strategic objectives

The Risk Management Strategy is fully endorsed by the Trust Board to underpin:

- The Trust's ability to achieve strategic objectives
- Meet performance
- Protect its reputation

# 2. The purpose of the Strategy

The purpose of the Strategy is to:

- Define and set out the benefits of risk management and what drives risk management within the Trust
- Help the Trust to understand risk appetite and tolerances, and make the most out of risk opportunities
- Set out our ambition to continuously improve our risk management arrangements
- Outline how the strategy relates to the Trust's wider strategic aims and objectives
- Assess the current status of risk management within the Trust
- Identify a series of risk management objectives
- Outline the approach to implementation and monitoring

- Describe the relevant compliance and assurance arrangements regarding risk management within the Trust

The Risk Management Strategy does not aim to identify or manage specific risks, other than to use those for illustrative purposes. Risk Management is a dynamic process and risks will readily change to respond to internal, external and cultural influences. All risks facing the Trust can be found in relevant Risk Registers and the Board Assurance Framework (BAF).

### **3. What is Risk Management?**

Risk Management is the process of identifying significant risks to the achievement of the organisation's strategic and operational objectives, evaluating their potential consequences and impact, and implementing the most effective way of controlling them.

According to the recent CQC report, "The State of Health Care and Adult Social Care in England 2014/15":

"Where a service is rated inadequate in terms of safety, this is often due to a number of factors including Ineffective safety and risk management systems."

When the management of risk goes well it often remains unnoticed. However, when it fails, the consequences can be significant and high profile. Effective risk management is fundamental to prevent such failures.

### **4. Risk Appetite & Tolerances**

This strategy provides an approach to risk appetite that is practical and pragmatic, and that makes a difference to the quality of decision-making, so that decision-makers understand the risks in any proposal and the degree of risk to which they are permitted to expose the organisation while encouraging enterprise and innovation.

According to the Institute of Risk Management, risk appetite can be defined as:

"The amount and type of risk that an organisation is willing to take in order to meet their strategic objectives."

Whilst risk appetite is about the pursuit of risk, risk tolerance is about what an organisation can deal with. All organisations have to take some risks and they have to avoid others.

Organisations will have risk appetites which will vary depending on their sector, culture and objectives. A range of appetites exist for different risks and these may change over time.

Organisations can be helped to achieve their goals and sustain their operations by properly communicating risk appetites with an appropriate risk appetite statement.

Typically, a health trust's risk appetite prioritises to safety and compliance objectives, including both patient safety and employee health and safety, with a marginally higher risk appetite towards its strategic, operational and financial objectives. This means that reducing to reasonably practicable levels the risks originating from various medical systems, products, equipment, and our work environment, and meeting our legal obligations may take priority over other business objectives.

## **5. Risk Opportunities**

Risk should include both threat and opportunity, and mature risk management should also address both types of uncertainty, seeking to minimise threats and maximise opportunities. This perspective is being reflected increasingly in risk management standards and professional guidelines, as well as in the practice of leading organisations.

Opportunity is not the absence of threat; some opportunities are created when threats are removed, and other opportunities are simply the inverse of related threats (instead of activity being lower than planned, it might be higher). But there are also "pure opportunities" unrelated to threats, uncertain events or circumstances which would produce real additional benefits, if they could be captured proactively and exploited.

As well as identifying and addressing threats, it is equally important to seek and maximise opportunities, in order to optimise achievement of objectives; the risk management process can address both threats and opportunities.

## **6. How does the Risk Management Strategy support the Trust's Strategic Plans?**

Risk management is a key component of the Trust's Strategic aims and objectives.

The Trust Strategy sets out the future direction of the Trust, whilst highlighting how financial pressures are growing. At the same time it recognises that the public rightly expects continuing improvements in the safety and responsiveness of services to patients' needs and for the NHS to take advantage of clinical and technical developments.

The Risk Management Strategy underpins each of the Trust's six strategic aims and is focused on continuously improving the quality of our patient's experience.

## The Trust's strategic aims

The Trust's six strategic aims are represented in the diagram below.



The risk assessment process enables risks, which may prevent realisation of any of the Trust's aims, to be appropriately managed. This Strategy will also help the Trust to manage risk opportunities as health and social care providers are expected to work together to find new ways to improve services at the same time as saving money.

By providing an assurance framework, the Risk Management Strategy helps to underpin the five Foundations of the Quality and Patient Safety Strategy, as set out below, to ensure that risk is managed appropriately.



It is important to us that risk management contributes to improve patient safety by enhancing leadership in the Trust, the culture of quality of care and that it supports our ability to measure and to predict variance so that we can detect and act quickly as problems arise.

## **The Board Assurance Framework (BAF)**

The BAF identifies and quantifies the principal risks facing the Trust and its ability to achieve its strategic aims and objectives.

It informs the Trust Board how each of these risks is being effectively managed and monitored.

Each of the principal risks has an identified local risk manager, who is a member of the executive team. It is their responsibility to manage and report on the risk overall.

The achievement of this Strategy relies on an underpinning governance framework which consists of divisional governance & risk groups which report into relevant committees of the Board.

The Risk Management Strategy will enhance those arrangements and be delivered through the Risk Management Policy.

## **7. Where are we now?**

All members of staff have an important role to play in identifying, assessing and managing risk.

The Trust's governance and risk processes have recently been assessed as part of a wider regulatory inspection by the Care Quality Commission (CQC) in April 2016. The Trust has been rated as Outstanding by the CQC. The CQC was complimentary in its report regarding the management and attitude to risk in the departments reviewed, including the awareness and culture of incident reporting among staff and the management of risk, including identification, monitoring and awareness of risks, although risk registers were not always complete in certain respects.

The Trust has a very good reporting culture; in 2016 it was rated 16th in the national study "Learning from mistakes league" relating to openness and transparency which was undertaken by the Trust Development Authority and Monitor. The reporting of incidents continues to rise at low levels of harm, implying greater reporting rather than deterioration in performance. This can be evidenced through the increased number of reports highlighting incidents and near misses. We strive to strike the right balance between a healthy number of reports of incidents, from which to learn and improve, and experiencing an increase in incidents, indicating a poor experience for patients. The current position suggests that staff feel comfortable reporting

incidents and this should continue to be encouraged so that the Trust can learn from and share experiences. A robust risk management process can support that culture.

The Trust demonstrates its commitment to learning from incidents through completing a Root Cause Analysis investigation for all incidents graded as moderate and above. This is further enhanced by the recent review and improvement of the governance structures, resulting in a clear line of direction and control from the wards and departments to the Trust Board, and this facilitates the sharing of learning throughout the organisation.

The CQC asked the Trust to review risk registers and the Board Assurance Framework (BAF) to provide assurance that risks are recorded correctly, being managed appropriately and mitigated in a timely way. The Trust had already embarked on a complete review of the BAF. An external consultant was engaged to undertake an independent review of the BAF in year, which resulted in a document which is fit for purpose, which will provide robust assurance when delivering this strategy. Divisional risk registers have been strengthened.

Risk management training and awareness already occurs in a number of different guises. The Board currently have a session on risk management once a year as part of the board development programme and risk and governance features in a number of leadership development programmes as well as ad hoc training provided.

However, we recognise that in order to continue to improve the open and transparent culture for risk management and to ensure successful implementation of this strategy, successfully implement this strategy we will need to develop a more structured organisation-wide risk management training programme to increase staff knowledge and understanding of risk management.

## **Implications of Trust developments for risk management**

The Trust is currently working towards a system leadership and network provision of services under the Vanguard Programme. This will entail a further movement away from the historic model of direct provision based on a centralised hospital.

Implications of our aspirations on service transformation & IT developments e.g. Electronic Patient Record may result in a different risk profile.

## **Areas of Strength and areas for further development**

The Trust's current position on risk management is summarised in the table below.

Areas of strength	Areas requiring further development
<b>Organisation and People</b>	
Good reporting culture as confirmed by NHS Improvement and CQC reports	Fully embedding risk management across the organisation
Open culture in relation to the management of risks	Ensuring identified learning is systematically shared
Good engagement in the management of risk from staff	Establish Trust risk appetite
Commitment to risk management throughout the organisation	Meet requirements of changing landscape
<b>Processes</b>	
Compliance with the requirements of Duty of Candour	Gaps in certain types of risk assessments e.g. violence & aggression, smoking.
Continuous review of governance processes	Stronger systems for gathering and reviewing evidence to achieve a greater depth of organisational learning
Compliance with regulatory requirements	Gain further assurance that the evidence derived from lessons learnt is being put into action
<b>Information</b>	
Large amount of good quality data	Data not linked by centralised system, may lead to working in isolation
Continual review and further improvement to the scope and development of Datix across the Trust	Continue to refine reporting
Standardised Root Cause Analysis process including assurance tracker	Improve use of information to provide more qualitative data
Improved reports; quarterly governance report, monthly divisional reports, monthly ward/dept. assurance reports, lessons learnt bulletin.	Use of training to provide consistent approach to risk management.
Radical risk review resulting in an improved BAF	Ensure information gathered meets external requirements in the external environment.

## How patient engagement informs the risk management process

We consider patient engagement, listening to and acting upon patient's own experiences, as one of the key areas from which the Trust can learn, and consequently improve. The Trust undertakes this by facilitating engagement events and Patient Experience Focus Groups in which patients are invited to meet and to share their patient journeys and experiences.

The Trust has also continued to develop its processes to provide a good patient experience, striving to address patient issues as soon as they emerge by talking to patients, relatives and

carers directly within the ward or department area and taking steps to address or resolve issues as they arise.

## **8. What are the objectives of the strategy?**

### **Where do we want to be and what will success look like?**

Section 7 demonstrates and provides substantial evidence that a positive baseline has already been achieved, both in terms of risk management practice but also how it is used to improve patient experience and patient safety. This Strategy stretches the ambition of the Trust in its management of risk in response to that context, via the following objectives:

#### **We will:**

#### **Objective 1 - Define the organisation's risk appetite.**

We will further develop the Trust's risk appetite by:

- raising board awareness of risk appetite and its use through a board development session regarding risk appetite
- developing risk appetite statements for each of the Trust's strategic aims and objectives across categories including risks to patients, organisational risk, reputational risk and opportunistic risk
- reviewing the appetite statement on an annual basis as part of the business planning process
- including risk appetite and risk assessment in the annual business planning process, at divisional and corporate level

#### **Objective 2 - Ensure a single and comprehensive risk management process.**

All risks relating to projects/initiatives will be subject to the risk management process and be managed locally with oversight from the governance department. In 2016/17 this will seek to ensure risks associated with the Vanguard, Service Improvement & other programmes and Theatres/IMRI development, amongst others, are monitored and managed; ensuring that the structure and process for managing risk across the organisation is reviewed and monitored annually. This will require the development of systems and processes to facilitate risk management being integrated into the current functions, and in embedding a high performance culture.

### **Objective 3 - Increase the coverage and utilisation of appropriate risk assessments throughout the Trust.**

The incident reporting process will identify where risk assessments have not been completed and remedial actions identified from the failures from each individual adverse event will be addressed by the relevant manager.

The divisional governance meetings and underpinning structure will be used to monitor gaps in risk assessment, using the monthly divisional governance reports and the ward and department assurance reports to provide the relevant evidence.

### **Objective 4 - Increase the use of Trust wide data to inform the risk management process.**

To use a full range of intelligent risk information from risk assessments, patient safety, workforce, patient experience and business data to improve the management of risk and improve quality. This information will also inform the overall business planning/investment process in the Trust.

### **Objective 5 - Enhance the knowledge and skills base of staff in risk management across the Trust, thereby also further encouraging an open and transparent reporting culture.**

We will further develop the mechanism for gaining feedback from those responsible for managing risk to ensure that lessons are fed back to those involved in adverse events. This will require increased collaboration with the governance leads within the divisions.

As well as including training in the trust's risk management processes, we will use the organisation-wide programme to help to embed a consistent language of risk management, including concepts such as controls, mitigations, assurances, residual risk and proximity.

We will therefore review the existing training programme, training materials and provide general communications regarding risk and incidents to ensure appropriate knowledge and skills in risk management at different levels of the organisation.

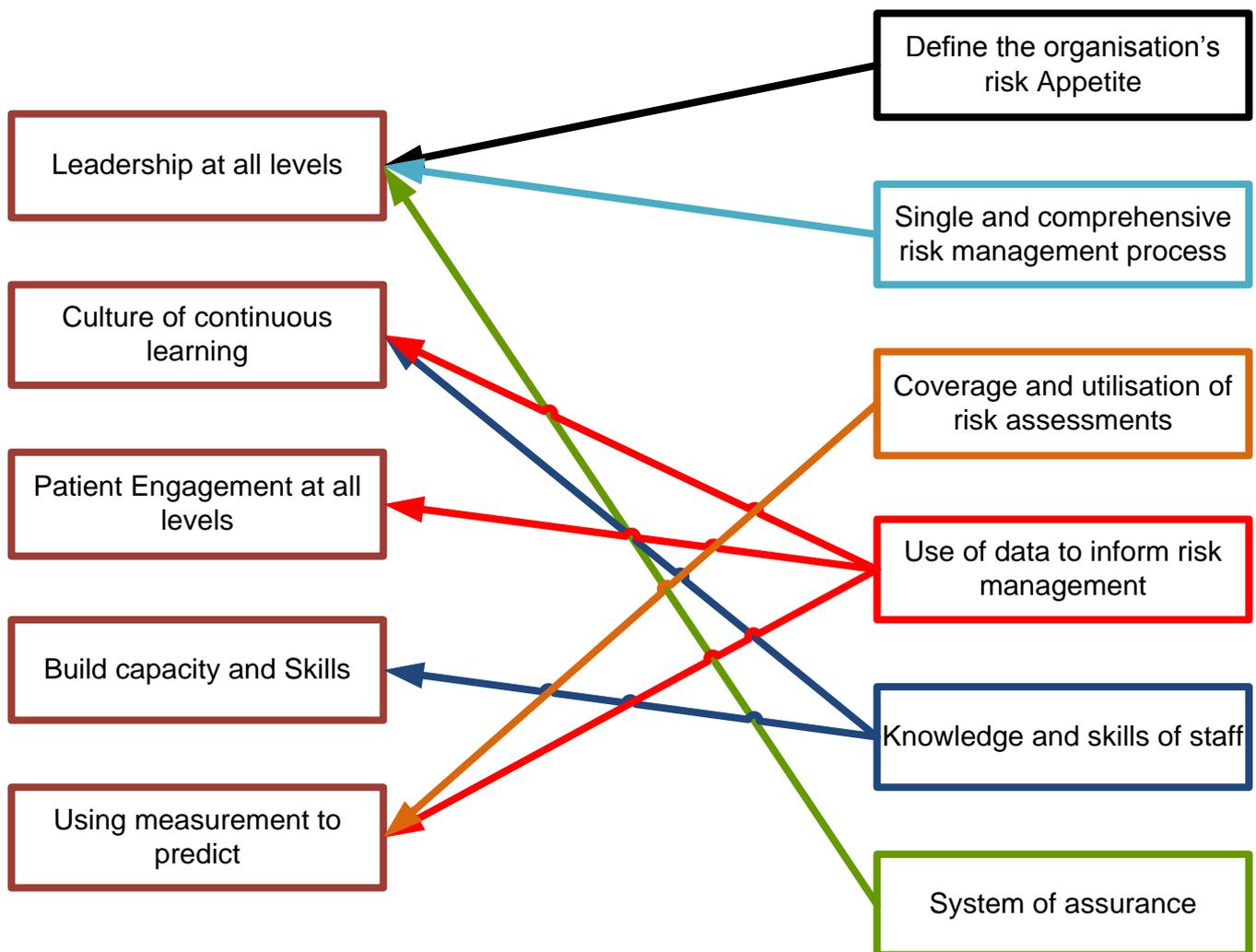
### **Objective 6 - Strengthen the system of assurance regarding risk through to Board level**

The Board Assurance Framework to provide a concise reporting tool which enables the reader

to review a summary of the framework with a more in-depth analysis being provided if required. The BAF will be subject to a rigorous annual review, which takes into consideration comments from the Board of Directors, senior management and other interested parties. The document will include a front page summary of the risk assessments, with specific detail listed on individual pages.

## Links with the Quality & Patient Safety Strategy

The diagram below shows how these objectives will support the Trust’s overall Quality and Patient Safety Strategy.



## 9. Implementation and Monitoring

An implementation plan for this strategy will be approved by the Quality Committee. The Director of Strategy & Planning as the Executive lead for risk will monitor the requirements of this strategy via the Quality Committee, Executive Team and with the Trust Board. A report will

be made no less than annually on progress and achievement of goals as set out in the implementation plan and update that implementation plan.

## **10. Compliance and Assurance**

The Assurance Framework provides the Trust Board with a vehicle for satisfying itself that its responsibilities are being discharged effectively. It identifies through assurance where aspects of service delivery are being met to satisfy internal and external requirements. In turn it will inform the Board where the delivery of principal objectives is at risk due to a gap in control and/or assurance. This allows the organisation to respond rapidly.

All NHS bodies are required to sign a full Annual Governance Statement and must have the evidence to support this statement.

In order to identify the risks against delivery of principal objectives and gaps in control/assurance the Trust Board is required to have a comprehensive Performance Management Reporting framework. The Trust Board agrees its own indicators for Performance Reports which will act as assurance on service delivery and quality. Any significant gaps in assurance or control within the Performance reports must be identified, translated onto the Assurance Framework and remedial action agreed.

The designated Assurance Committees of the Trust Board are the Quality Committee and the Business Performance Committee. The Audit Committee monitors the Assurance Framework process overall on a quarterly basis.

It is the responsibility of the Assurance Committees to report to the Trust Board, on a quarterly basis, any new risks to the Trust's strategic objectives, identified gaps in assurance/control, as well as positive assurance on an exception basis. If a significant risk to the Trust's service delivery or gap in control/assurance is identified then this should be reported immediately via the Executive Directors. It is important for the Trust Board to be able to evaluate the quality and robustness of the Assurance Framework and to have arrangements in place to keep it updated in light of evidence from reviews and actual achievements.

For consistency, the Deputy Director of Governance will attend the Assurance Committees to review and update the Assurance Framework along with the high level Risk Register consisting of those on the BAF. The Trust Board and Audit Committee will formally review the Assurance Framework annually. The Deputy Director of Governance will ensure that the Risk Management Strategy remains dynamic and is integral to the Business Planning cycle.

If at any time performance reporting and risk management processes indicate that the Trust will not meet a current or future regulatory requirement/target then the Board must notify NHS Improvement via an Exception Report.

Each Department will continue to carry out Risk Assessments which feed into the Divisional Risk Registers. A single framework for the assessment, rating, and management of risk is used throughout the Trust; this process is described in detail within the Risk Management Policy available on the intranet.

Each Division will continue to maintain a comprehensive risk register, which will be formally reviewed at three monthly intervals through the Divisional Governance and Risk Meetings. At these meetings the Divisions will be expected to report on their risk register, highlight any new or emerging risks to service delivery and present action plans for minimising and managing those risks. The Corporate Divisional Governance and Risk meeting should identify those departmental risks which also pose a corporate threat and so require inclusion on the Trust Risk Register. The risk register should be seen as a dynamic process as ranking/prioritisation of risks will change as risk reduction practices take place.

The corporate and divisional risks identified at the Governance and Risk meetings which impact on the corporate objectives are combined with the corporate risks thus allowing for a bottom up/top down approach to identifying the Trust's principal risks and informing the Assurance Framework. This proactive approach to risk management should be holistic and identify all risks to the organisation, including clinical, organisational, health and safety, business, marketing and financial.

## **11. Conclusion**

The Risk Management Strategy builds on the good processes in place for supporting risk management and the current policies. It ensures that this positive focus is maintained and takes account that the Trust Strategy and Supporting Strategies will be helping those to be achieved.