

Trust Board	Date:	29th March 2017
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Agenda item	Title	Executive Director lead and presenter	Report author
BD/16/277	Update on Trust Risk Register Risk Appetite	Hayley Richards, Chief Executive	Paul Daniels, Head of Health, Safety & Operational Risk

This report is for:

Decision	X
Discussion	
To Note	X

History

None.

The following impacts have been identified and assessed within this report

Equality	X
Quality	X
Privacy	X

Executive summary of key issues

Risk Web

This report notes changes to the Corporate risk register as follows:

- Increased risk – Delivery of CIP targets
Integration of quality governance processes
- Top risks - Delivery of CIP targets
Management pressures from regulator activity
IMT platform
Impact of projected BNSSG financial position
Governance of Places of Safety

The report also notes a number of closed risks

Risk Appetite

The Board is asked to reaffirm its position on risk appetite.

The Board is requested to review the position on risk appetite within early 2017/18 against the new Trust strategic objectives and approve the proposal to have an annual statement of risk appetite.

Risk Matrix

The Board is asked to note for information proposals to change the risk matrix, risk tables (appendix 2). Approved changes will be taken forward into a revision of the Trusts Risk Policy.

This report addresses these strategic priorities:

We will deliver the best care	X
We will support and develop our staff	X
We will continually improve what we do	X
We will use our resources wisely	X
We will be future focussed	X

1. Introduction

This report summarises the high-level operational risk registers comprising the Clinical, Delivery and Business Executive Risk Registers, now referred to as 'Corporate Risks'.

2. Risk Grading

The current Risk Management Strategy uses the following three risk matrices. This is currently being reviewed (see section 10). However until Risk Web can be reconfigured the existing arrangements remain in place.

The risk grading (red, amber, and green) reflects Trust Board's appetite to taking risks to each of our strategic priorities (see the Risk Management Strategy). We are least willing to take risks to our strategic priorities of Delivering the Best Care and Supporting Our Staff:

		Severity				
		5	10	15	20	25
Probability	4	5	10	15	20	25
	3	4	8	12	16	20
	2	3	6	9	12	15
	1	2	4	6	8	10
	0	1	2	3	4	5

1. Deliver the Best Care
2. Supporting Our Staff

		Severity				
		5	10	15	20	25
Probability	4	5	10	15	20	25
	3	4	8	12	16	20
	2	3	6	9	12	15
	1	2	4	6	8	10
	0	1	2	3	4	5

3. Continually improving what we do
4. Using our resources wisely

		Severity				
		5	10	15	20	25
Probability	4	5	10	15	20	25
	3	4	8	12	16	20
	2	3	6	9	12	15
	1	2	4	6	8	10
	0	1	2	3	4	5

5. Being Future Focussed

3. Top scoring risks

The highest scoring risks on the Corporate Risk Register this month are:

RiskWeb Ref.	Priority	Risk	Updates	Score
225 v4	Use Our Resources Wisely	If the Trust doesn't deliver its planned CIP target or identify new schemes to mitigate in year risks then it is likely to miss its agreed financial control total. [Executive Lead: Director of Finance]	Risk increased from 16 to 20. Updated 03/03/2017 ST Work continues on the 2017/18 budgets and agreeing a CIPs plan for 17/18. Still expecting to get signed budgets by the end of March. Clear that there will still be a considerable gap up to £8m at the start of April without further work on CIPs	20
252 V2	Deliver the Best Care	If our governance processes on places of safety are inadequate then the safety of our service users may be compromised. A notice has been served under Section 29A of the Health and Social Care Act 2008 following recent CQC Inspection. The notice is in relation to all the Trusts health based places of safety.	Update: 24/02/17 AD 24/02/17: AD - CQC are returning to inspect the Trust in June 2017 with a specific emphasis on our notice under section 29A Health & Social Care Act 2008 regarding our Trust based places of safety. Risk remains in place until CQC have completed their inspection.	12

RiskWeb Ref.	Priority	Risk	Updates	Score
421 v1	Deliver the Best Care	If the CQC, HSE, NHSI or other significant regulator determine that there are concerns, improvements, compliance actions required of our service, this will require significant management and clinical resources and attention.	<p>New risk (AD)</p> <p>Actions Identified</p> <p>Appropriate actions for this risk are currently being discussed and formulated.</p>	12 NEW
422 v1	Deliver the Best Care	If the projected BNSSG financial position for 17/18 is 91m deficit (assuming a 100m savings delivery), the CCGs, which are in turnaround and are looking to reduce cost by decommissioning services and reducing the amount paid to providers, will present a risk to the Trust is that decommissioning of services such as street triage will place greater demand on current services and goes against the mental health 5 year forward view	<p>New risk (ST)</p> <p>Actions identified</p> <p>Ensure AWP involvement in STP discussions on mental health and focused attention on CCG turnaround to ensure decisions are not made that effect specialist services</p>	16 NEW
423 v1	Using our resources wisely	Failure to improve the IT platform in AWP will restrict the level of service transformation and implementation of new ways of working. It will also restrict the organisations ability to save money due to the automation of certain processes. The standard of the core IT platform across the Trust is weak with poor IT infrastructure in some areas. Although the Trust has made head way with improving the resilience of it data centre the network and IT hardware is poor in many areas and in need of replacement.	<p>New risk (ST)</p> <p>Actions identified</p> <p>Automating many IT processes</p> <p>Prioritised capital investment programme in IT</p> <p>Strengthening the effectiveness of the IT team</p> <p>Delivery of the IM&T strategy</p>	16 NEW

4. Increased risks

There was one risk with increased score on the Corporate Risk Register this month:

RiskWeb Ref.	Priority	Risk	Updates	Score
225 v4	Use Our Resources Wisely	If the Trust doesn't deliver its planned CIP target or identify new schemes to mitigate in year risks then it is likely to miss its agreed financial control total.	Updated 03/03/2017 ST Risk increased from 16 to 20. Work continues on the 2017/18 budgets and agreeing a CIPs plan for 17/18. Still expecting to get signed budgets by the end of March. Clear that there will still be a considerable gap up to £8m at the start of April without further work on CIPs	20
201 V 2	Use Our Resources Wisely	If our quality governance processes are not integrated and data is not triangulated from all sources we may fail to identify, learn, rectify and embed change.	22/03/17: Reviewed by AD This risk has been increased from 6 to 9 because recent evidence has shown that there is a lack of LDU engagement in QIP planning and utilisation in their area.	9

5. Other significant risks

New/Downgraded/Closed risks on the Corporate Risk Register:

There were no downgraded risks. There were 3 closed risks. There were no New risks. Changes are as follows:-

Risk Web Ref.	Priority	Risk	Updates	Score
206 V2	Deliver the Best Care	If we fail to address the low roof risk that we have recently encountered across various sites then more service users will either abscond over a roof or physically damage themselves by falling off a roof.	22/03/17 : Reviewed by AD. This risk has been reduced from 12 to 8. The high risk area on Applewood has now had a permanent solution fitted. The other units all have sufficient procedural mitigation in place that reduces the likelihood significantly. It is difficult to assess the severity therefore will take a view of major in line with the incident that occurred at Applewood.	8 (Reduced from 12)
63 v2	Deliver the Best Care	If staff cannot be effectively engaged in Bristol then changes cannot be made to meet the requirements of the new service model.	CLOSED	N/A

Risk Web Ref.	Priority	Risk	Updates	Score
209 v1	Using our resources wisely	High reference cost: Trust 2013-14 RCI was 128, making AWP one of the highest MH Trust across the country. The Trust needs to ensure that it fully understands what is driving this high position compared to other MH Trusts, so that actions can be planned to address the situation (if deemed necessary) in 2014-15 and beyond.	CLOSED	N/A
270 v1	Using our resources wisely	If we do not pay our suppliers on time then we run the risk of those suppliers not trading with us in the future due to a poor credit history. The impact could be that services get suspended, products get delayed and the cost of goods could increase.	CLOSED	N/A
275 v2	Using our resources wisely	If capacity and capability in the Finance Department impacts on our ability to report the correct finance position then this could lead to greater financial risk and the missing of control total.	CLOSED	N/A
277 v1	Deliver the Best Care	If there have been / are future delays in paying invoices to contractors and partners, then there may be damages to reputation and an unwillingness to continue to offer services to AWP - where these are clinical services there would be an impact on service delivery	CLOSED	N/A
421 v1	Deliver the Best Care	If the CQC, HSE, NHSI or other significant regulator determine that there are concerns, improvements, compliance actions required of our service, this will require significant management and clinical resources and attention.	New risk (AD) Actions Identified	12 NEW

422 v1	Deliver the Best Care	If the projected BNSSG financial position for 17/18 is 91m deficit (assuming a 100m savings delivery), the CCGs, which are in turnaround and are looking to reduce cost by decommissioning services and reducing the amount paid to providers, will present a risk to the Trust is that decommissioning of services such as street triage will place greater demand on current services and goes against the mental health 5 year forward view	New risk (ST) Actions identified Ensure AWP involvement in STP discussions on mental health and focused attention on CCG turnaround to ensure decisions are not made that effect specialist services	16 NEW
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423 v1	Using our resources wisely	Failure to improve the IT platform in AWP will restrict the level of service transformation and implementation of new ways of working. It will also restrict the organisations ability to save money due to the automation of certain processes. The standard of the core IT platform across the Trust is weak with poor IT infrastructure in some areas. Although the Trust has made head way with improving the resilience of it data centre the network and IT hardware is poor in many areas and in need of replacement.	New risk (ST) Actions identified Automating many IT processes Prioritised capital investment programme in IT Strengthening the effectiveness of the IT team Delivery of the IM&T strategy	16 NEW

6. Strategic Risk Register

New/Downgraded/Closed risks on the Strategic Risk Register:

There were 2 new risks. Changes are as follows:-

Risk Web Ref.	Priority	Risk	Updates	Score
388 V1	Being future focused	The ever greater integration between organisations within STP footprints may destabilise the fidelity of organisations that cross more than one footprint	New Risk	9
389 V1	Being future focused	If the STPs do not function to deliver the commitments made within the Five Year Forward View for Mental Health (parity, investment) AWP will be compromised in delivering contractual obligations in key performance areas.	New Risk	12

7. Corporate Risk Register – See Appendix 3

The Executive Team review new corporate risks as are they created and review the full Corporate Risk Register on a monthly basis. In addition, they identify systematic risks to add to the corporate risk register.

See Appendix 3 for the full Corporate Risk Register. Changes are summaries above in sections 3,4 and 5.

All users of RiskWeb now have the ability to view ALL risks currently held on the RiskWeb Database. However, they will only be allowed to add and edit their own risks.

8. Strategic Risk Register See Appendix 4

There were no risks downgraded on the Strategic Risk Register this month.

9. Risk Web Training

There are no training dates being offered currently as the system is still being rebuilt and the support facilitator has not been appointed.

Those wishing to do so should contact Paul Daniels for the necessary training material and to be added to the Safeguard system.

10. Risk Appetite and Risk Grading

All risks are scored using a 5 x 5 matrix based around the Australian/New Zealand model, adopted by the NHS for many years.

This paper proposes to change the risk matrix for two reasons. The existing system using different matrices depending on the Trust objective it relates to is very confusing to staff, and secondly the Trust objectives have changed from five headings to three.

It is much simpler to adopt one matrix and take account of differing levels of impact for patient safety incident etc. (where there the Trust is Risk adverse) and for example human resource issues (where the Trust is cautious). The Trust Board will review its appetite for risk annually and express this in a statement of risk appetite.

Current Risk Appetite

The risk appetite of the Trust was previously considered by the Trust Board and agreed against the previous Trust strategic objectives from 2015/16 (see Appendix 1) The appetite sets out the level of risk that the Trust is willing to accept. Managers throughout the Trust are expected to use this to guide their decision making.

The Trust's current overall risk appetite is defined as CAUTIOUS.

We are willing to accept some new low risks, while maintaining an overall preference for safe delivery options despite the probability of these having mostly restricted potential for reward/return.

Risk Appetite Statement

The risk appetite of the Trust is the decision on the appropriate exposure to risk it will accept in order to deliver its strategic objectives.

On an annual basis the Trust will publish its risk appetite statement as a separate document covering the overarching areas of:

- Risk to patients
- Financial risk
- Quality
- Organisational risk
- Reputational risk
- Opportunistic risk

The statement will also define the Board's appetite for each risk identified to the achievement of strategic objectives (those contained in the BAF) for the financial year in question.

Risks throughout the organisation should be managed within the Trust's risk appetite, or where this is exceeded, action taken to reduce the risk.

Expressing Risk Appetite

It is proposed that the Trust's risk appetite line is set at 12; any risks rated at or above this level are reported to the relevant Board Sub-Committee and the Board on a quarterly basis. A risk score of 12 or above should therefore be treated as a trigger for a discussion as to whether the trust is willing to accept this level of risk. These risks will also be reviewed monthly by the Executive Team.

A target risk rating should be set for all risks. This target (residual) risk rating is a means of expressing a target for the lowest acceptable (tolerated) level for that risk. When setting residual risk ratings, risk leads should consider what level of tolerated risk they are willing to retain. For some risks, the residual

risk rating could be high, especially where the consequences are potentially severe or some elements of the risk lie outside the direct control of the Trust. All risks will have a risk appetite rating which will be derived from the Risk Appetite Matrix for NHS organisations (see appendix 1)

Proposed revision of the Risk Matrix

The Board is asked to note for information the following proposed risk matrix. This matrix will be taken through Board sub-committees for consultation and discussion.

RISK RANKING MATRIX						
		Severity/Consequence				
		Negligible 1	MINOR 2	MODERATE 3	MAJOR 4	CATASTROPHIC 5
Likelihood / Probability of Recurrence	ALMOST CERTAIN 5	5 Low	10 High	15 High	20 Extreme	25 Extreme
	LIKELY 4	4 Low	8 High	12 High	16 Extreme	20 Extreme
	POSSIBLE 3	3 Very low	6 Low	9 High	12 High	15 Extreme
	UNLIKELY 2	2 Very low	4 Low	6 Low	8 High	10 High
	RARE 1	1 Very low	2 Very low	3 Very low	4 Low	5 High

Risk Tables

The tables in appendix 2 should be used to evaluate risks within different domains. Assessors should select the most appropriate column when scoring a risk. This allows for differentiation between safety (life) issues and other forms of risk such as reputational, financial etc. The table in appendix 2 should also be used to estimate the likelihood of an event occurring. These values are then used in the risk matrix above to score risk.

As stated risks over 12 should be escalated but also those with a catastrophic consequence should also be considered for escalation.

Changes to Risk Web and Trust Risk Policy

Approval of these proposals will necessitate changes to the Risk Web system, to accommodate changes to Trust objectives and to risk matrices. Implementation of the new scoring system will dependant on system changes. It is therefore proposed, to avoid confusion, that these changes are made simultaneously.

Approved changes will be taken forward into a revision of the Trusts Risk Policy which will detail the arrangements for managing, escalating and reviewing risks at all levels in the Trust structure.