



<b>MEETING TITLE</b> Trust Board in Public		<b>MEETING DATE</b> 24/05/2016	
<b>TITLE of PAPER</b>	Risk Management Report with Board Assurance Framework 16/17 and Corporate Risk Register	<b>PAPER REF</b>	5.3
<b>STRATEGIC OBJECTIVE</b>	All		
<b>PURPOSE OF THE PAPER</b>	The purpose of this paper is to present the 2016-17 Board Assurance Framework, and to provide an update on changes to the Corporate Risk Register and other risk management developments.		
<b>For Approval</b>	<input type="checkbox"/>	<b>For Assurance</b>	<input checked="" type="checkbox"/>
<b>For Decision</b>	<input type="checkbox"/>	<b>Discussion / Information</b>	<input checked="" type="checkbox"/>
<b>AUTHOR / LEAD</b>	Maxine M Travis, Risk Manager	<b>ACCOUNTABLE DIRECTOR</b>	Steve Page – Executive Director of Quality, Governance & Performance Assurance
<b>DISCUSSED AT / INFORMED BY:</b> Discussed in Executive Team meetings Trust Board meeting in Public 26 January 2016 Board Development Meeting 23 February 2016 Trust Board meeting in Private 29 March 2016 Quality Committee 11 May 2016			
<b>PREVIOUSLY AGREED AT:</b>	<b>Committee/Group:</b> Not Applicable	<b>Date:</b>	
<b>RECOMMENDATION:</b>	It is recommended that the Trust Board: a) Reviews and agrees the Board Assurance Framework for 2016/17 b) Accepts the proposed content change for the Risk Management and Assurance Strategy c) Is assured with regard to the processes currently in place to manage risk across the Trust.		
<b>RISK ASSESSMENT</b>		<b>Yes</b>	<b>No</b>
<b>Corporate Risk Register and/or Board Assurance Framework amended</b>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Resource Implications (Financial, Workforce, other - specify)</b>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Legal implications/Regulatory requirements</b>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Equality and Diversity Implications</b>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>ASSURANCE/COMPLIANCE</b>			
<b>Care Quality Commission</b>		All	
<b>Monitor Quality Governance Framework</b>		All	

## **1. PURPOSE/AIM**

- 1.1 The purpose of this paper is to present the 2016-17 Board Assurance Framework, and to provide an update on changes to the Corporate Risk Register and other risk management developments.

## **2. BACKGROUND/CONTEXT**

- 2.1 Risk is inherent in all Trust activities. Failure to manage risks could lead to harm to patients, staff or others, loss or damage to the Trust's reputation, financial loss and potential for complaints, litigation and adverse publicity.
- 2.2 Effective risk management across all levels of the Trust is essential for safe and effective service delivery as well as pro-active planning for Trust development.

### **Board Assurance Framework**

- 2.3 The Board Assurance Framework (BAF) 2016-17 has been developed through a round of Board Development Meeting (BDM) and Trust Board meetings and following agreement of the Strategic Objectives and Operating Framework for 2016/17. Our operating plan for 2016/17 identifies the key priorities, risks and milestones for YAS over the next year to help us achieve our vision of providing world class care and these are reflected in the BAF.
- 2.4 The BAF is a high level document that provides a concise method for the management of assurance relating to principal risks to the Trust's strategic objectives. The BAF is reviewed and updated on a quarterly basis following peer review by the Executive Director for Quality, Governance and Performance Assurance and the relevant Executive Director responsible for each risk.
- 2.5 The 2015/16 cycle of the BAF was closed following review at the BDM in February 2016, which agreed risks to carry forward and residual risks to be managed at local level. Additional areas of risk were considered relating to the wider Urgent and Emergency Care Strategy, Vanguard and other health economy system changes and the new 7 day system demands, Ambulance Response Programme, external factors impacting on performance including turnaround and reconfigurations, national band 6 paramedic discussions and the impact of national policy and funding changes. These were further reviewed by TEG and have been addressed in the 2016/17 BAF.
- 2.6 The final BAF for 2015/16 was presented for closure to Trust Board in March 2016. The draft Board Assurance Framework for 2016/17 is at appendix 1.

### **Corporate Risk Register**

- 2.7 The CRR is reviewed by the Risk and Assurance Group (RAG) monthly and comprises strategic and operational risks across the Trust that have a current risk rating of 12 or above. The current Corporate Risk Register is attached at Appendix 2.

- 2.8 The Risk Manager and Associate Director of Risk & Performance are responsible for oversight of risks, monitoring in particular those appearing on the CRR. Progress reports on this are made monthly to TMG, and through the quarterly cycle of management groups and committees to Trust Board.

### **Risk Management**

- 2.9 Specialist risk registers are reviewed in the relevant forum; eg. Clinical Governance Group, Health and Safety Committee, EOC Clinical Governance Subgroup. In addition, risk reviews are supported by 1:1 meetings between the Risk Manager and nominated risk leads.
- 2.10 All staff complete the Trust's mandatory training work book which gives an overview of identifying and managing risk, in addition, one-to-one training is provided by the Risk Manager on using the Datix Risk Management system and principles and process of identification and mitigation of risk.
- 2.11 There has been a continuation of the development of triangulated reporting of risk information to support effective risk identification. Data relating to significant events, complaints, claims and inquests is reviewed and themed with lessons learned and risks being identified and actions agreed to manage.
- 2.12 A review of the overall profile of all risks in the risk register was reported to the Audit Committee in January 2016 and identified work required to build on profiling, ensuring identification and representation of risks across the organisation will continue into 2016/17.
- 2.13 A risk profile of Internal Audit recommendations has been undertaken in 2015/16 with findings presented by directorate, with a summary of recommendations for each report, together with an overview of the current risk score and target risk score if all actions recommended in the Internal Audit report are completed. This baseline is being augmented by reviews with Service Leads to cross-reference the analysis with the risk register to ensure it is comprehensive and representative.
- 2.14 An assurance mapping exercise has also been commenced, in liaison between the risk management and Internal Audit teams, to ensure that all of the necessary internal and external assurance mechanisms are in place and understood across the main areas of Trust activity.

### **3. CHANGES TO CRR SINCE DECEMBER 2015**

- 3.1 Risks have been added to the CRR since the last Quality Committee on 3<sup>rd</sup> December 2015. A number of risks have been articulated relating to PTS following a review of the overall service line risk register as follows;

765 Lack of skilled and experienced PTS Bid resource to respond to tenders. If PTS do not have skilled and experienced to manage PTS tenders,

768 PTS Contract Extension Price Negotiations – If PTS fail to agree an extension price in line with CIP and Transformation trajectory this will impact strategic planned financial outturn for PTS and Trust

770 Unplanned A&E Op's intake of PTS frontline staff for ECA's – If PTS fail to plan with A&E Ops to manage the impact of A&E Ops uptake of PTS staff then there is the potential to affect delivery of services

772 PTS ECR queries – If differences in interpretation of ECRs and core contract specifications between YAS management and commissioners are not resolved, there is a risk to finance and reputation.

773 Removal of 39 saloon cars from PTS fleet in accordance with Transformation plan – If PTS do not effectively manage the removal of cars from the PTS fleet, then there is potential for risk to service delivery

The following risks have been added relating to other Trust functions:

743 Gaps in Fleet Management Structure – If management arrangements in Fleet are not consolidated then there is a risk of impact on support to operational services and lack of strategic direction

754 Vanguard Communication Plan – If there is no communication plan for Vanguard then there may be a lack of understanding and staff engagement and possible resistance to transformational

745 CHFT Reconfiguration – If YAS is not consulted on acute trust reconfigurations, then there is a risk to operational performance impacting on patient safety

### **Risks removed from CRR since last Quality Committee**




3.2 The following risk ratings have been reduced since last Quality Committee and risks have therefore been removed from the Corporate Risk Register:

707 Compliance with Healthcare Associated Infection Policy – Roll out of fob watches has reduced the likelihood of non-compliance as staff do not need to wear a wristwatch, enabling effective hand hygiene. A programme of audits to monitor compliance is ongoing and reported through the IPR: Risk reduced to Moderate (9)

294 Uncoordinated approach to Communications and engagement – Corporate Communications and Engagement Strategy 2016-2021 was approved at Trust Board in March 2016: Risk closed

3.3 The Risk Register will continue to be reviewed at each meeting of the Risk and Assurance Group.

- 3.4 The CRR is colour coded to indicate the risk is within the remit of the Quality Committee, Finance and Investment Committee or the remit of both committees.

Quality Committee	
Finance & Investment Committee	
Both	

#### 4. RISK APPETITE

- 4.1 In addition to the review of the Board Assurance Framework, the Board Development Meeting in February 2016 also discussed the risk appetite of the Trust. This is the level of risk the Trust is prepared to tolerate or be exposed to in the pursuit of its strategic objectives.
- 4.2 As a result of the Board discussion the following amended text is proposed to the Trust Risk Management and Assurance Strategy:

*Risk appetite is the level of risk the Trust is prepared to tolerate or be exposed to in the pursuit of its strategic objectives.*

*Precise measurement is not always possible and risk appetite may be defined by a broad statement of approach. The Trust has an appetite for some types of risk and may be averse to others, depending on the context of the risk and the potential for losses or gains.*

*By defining its risk appetite, the Trust can arrive at an appropriate balance between uncontrolled innovation and excessive caution. It can be used to guide managers on the level of risk permitted, encourage consistency of approach across the Trust, and ensure that resources are not spent on further reducing risks that are already at an acceptable level.*

*The Trust's risk appetite is described as follows:*

*The Trust has a low tolerance of risk relating to safety and quality of patient care and to safety of staff.*

*The Trust also has a low appetite for risk relating to statutory compliance and delivery of national targets, including statutory financial compliance.*

*There is a greater appetite for investment risk, in relation to new business developments aligned to Trust strategy or opportunities to pursue innovative ways of working internally or with external partners. The Trust recognises that an increased appetite for risk in these circumstances, with due consideration of safety and compliance issues, creates opportunities which may bring potentially positive gains for the quality and efficiency of our services or wider system.*

- 4.3 It is proposed that this wording replaces the current generic text in the Risk Management and Assurance Strategy with immediate effect. Wider Board review of the strategy is due in July 2017.

## **5. PROPOSALS/NEXT STEPS**

- 5.1 Work will continue to develop the Trust's Risk Management programme to ensure risk management is embedded at all levels in day to day practice.
- 5.2 Following review by the Board, the BAF for 2016/17 will be used, together with the CRR, to inform the quarterly cycle of risk management reviews through management groups, Committees and Trust Board.
- 5.3 The Risk Management and Assurance Strategy will be re-issued with the updated risk appetite statement.

## **6. RISK ASSESSMENT**

- 6.1 The risk management process, BAF and CRR are key tools which support the Trust in delivering its strategic objectives and annual business plan. Relevant risks are captured in the appendices to this report. No new financial or legal implications are identified within this paper.

## **7. RECOMMENDATIONS**

- 7.1 It is recommended that the Trust Board:
- a) Reviews and agrees the Board Assurance Framework for 2016/17
  - b) Accepts the proposed content change for the Risk Management and Assurance Strategy
  - c) Is assured with regard to the processes currently in place to manage risk across the Trust.

## **8. APPENDICES/BACKGROUND INFORMATION**

- 8.1 Appendix 1: Board Assurance Framework 2016/17
- 8.2 Appendix 2: Corporate Risk Register