Borders NHS Board

NHS Borders

Meeting Date: 1 April 2021

Approved by:	Keith Allan, Associate Director of Public Health
Author:	Lettie Pringle, Risk Manager

RISK MANAGEMENT STRATEGY

Purpose of Report:

The purpose of this report is to brief the Board on the Risk Management Strategy.

Recommendations:

The Board is asked to formally approve the Risk Management Strategy for publication.

Approval Pathways:

This report has been approved by the Risk Management Board, Clinical Executive Operational Group and agreed by the Audit Committee.

Executive Summary:

Aim

The purpose of this document is to set out a clear Risk Management Strategy for NHS Border's 5 year plan for Risk Management, highlighting governance structures, culture, auditing and monitoring, supported by the Risk Management policy and guidance.

Background

This strategy has been out for consultation to all staff, approved by the Risk Management Board and Clinical Executive Operational Group and endorsed by the Board Executive Team and agreed by the Audit Committee.

Summary

Risk management plays a role in ensuring that a framework is in place that identifies factors that may prevent us from providing excellent, safe, efficient and effective care. The aim of risk management is to ensure these risks are identified early, assessed as to the best way to manage or control them to reduce their effect and achieve corporate objectives and support robust decision making throughout the organisation.

The strategic risk management aims and objectives for 2020-2025 are:

- NHS Borders risk management will follow international standard BSI 31000
- A single system approach for all types of risk

- Move from a reactive to proactive risk management stance
- All risk management processes are electronic; adverse events, risk register, risk assessment, claims and complaints
- An education program is in place to support staff to implement risk management
- Support achievement of the Clinical Governance strategy, local health plans and health and social care partnership
- A risk appetite is in place that will reflect the organisation's position
- Support a positive risk management culture
- Leadership and commitment to risk management throughout the organisation will be reflected through board leadership
- Risk management assurance will be gained through governance structures

This strategy is underpinned by the Risk Management Policy, Risk Management Protocol and guidance documentation.

Impact of item/issues on:

Strategic Context	Outlines the priorities for risk management of NHS Borders, supported by the Risk Management Policy, Protocol and guidance. Provides part of the risk management framework in supporting the organisation achieve its corporate objectives.
Patient Safety/Clinical Impact	Supports the organisation in achieving corporate objectives including safe, effective and person centred care.
Staffing/Workforce	No additional resource requirements
Finance/Resources	No additional financial requirements
Risk Implications	This strategy is part of the risk management framework
Equality and Diversity	Does not affect any persons/groups adversely
Consultation	Consultation with staff, Risk Management Board, Clinical Executive Operational Group, Board Executive Team and Audit Committee

Glossary	Consequence	The outcome of an event being loss, injury, ill health, disadvantage or gain.
	Cost	Of activities, both direct and indirect, involving any negative impact, including money, time, labour, disruption, good will, political and intangible losses.
	Frequency	The number of occurrences of that outcome over a specified period of time.
	Hazard	A source of potential harm or a situation with a potential to cause loss.
	Likelihood	Used as a qualitative description of probability or frequency.
	Loss	Any negative consequence, financial, clinical, corporate or otherwise.
	Residual Risk	The remaining level of risk after the risk has been managed/ treated.
	Risk	The chance of something happening (an opportunity or hazard) that will have an impact (good or bad) upon objectives. Risk is measured in terms of

			its consequences and likelihood.
		Risk Analysis	A systematic use of available information to determine how often specified events may occur and the severity of their consequences.
		Risk Appetite	Risk appetite is a term used to explain what amount and type of risk the organisation is willing to accept or tolerate.
		Risk Assessment	A systematic process of evaluating the potential risks that may involve a project activity or undertaking.
		Risk Control	That part of risk management, which involves the implementation of policies, standards, procedures and physical changes to minimise adverse risk.
		Risk Evaluation	The process used to determine risk management priorities by comparing the level of risk against predetermined standards, target risk levels or other criteria.
		Risk Management Framework	Set of elements of an organisations management system concerned with managing risk. Components that provide foundations and arrangements for risk management to be implemented within the organisation i.e. strategy, policy, accountability, escalation process etc
		Risk Identification	A process for finding out what outcomes are possible and how they occur.
		Risk Level	The level of risk calculated as a function of likelihood and consequence.
		Risk Management	A systematic approach to the management of risk, staff and patient/client/user safety, to reducing loss of life, financial loss, loss of staff availability, loss of availability of buildings or equipment, or loss of reputation. Risk management involves identifying, assessing, controlling, monitoring, reviewing and auditing risk.
		Risk Management Process	The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.
		Risk Matrix	A tool used to calculate the level of risk based on likelihood and consequences
		Risk Reduction	A selective application of appropriate techniques and management principles to reduce either likelihood of an

		occurrence or its consequences, or both.
	Risk Retention	Intentionally or unintentionally retaining the responsibility for loss or financial burden of loss within the organisation.
	Risk Tolerance	An informed decision to accept the consequences and likelihood of a particular risk.
	Stakeholders	Those people and organisations who may affect, be affected by or perceive themselves to be affected by a decision or activity.

RISK MANAGEMENT STRATEGY

Version number: 3

Prepared by Risk Team

Distribution date: December 2020

Review date: December 2025

Distribution arrangements: Intranet

This policy has been approved for NHS Borders

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Chief Executive

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Employee Director

Approval date:

Contents

Introduction

NHS Health Scotland is the publicly funded healthcare systems in Scotland. It was founded by the National Health Service (Scotland) Act 1947 (since repealed by the National Health Service (Scotland) Act 1978) and was launched on 5 July 1948, under the control of the Secretary of State for Scotland. As a result of the Scotland Act 1998, control over NHS Health Scotland transferred to the Scottish Government and Parliament in 1999 and as such Health and social care policy and funding became devolved to the Scottish Parliament. NHS Health Scotland is currently administered through the Health and Social Care Directorates of the Scottish Government. Current provision of healthcare within Scotland is the responsibility of fourteen geographically based local NHS boards and seven national special health boards.

The core principles shared across the NHS in the United Kingdom are outlined in the NHS constitution:

> **NHS belongs to the people.**
> It is there to improve our health and wellbeing, supporting us to keep mentally and physically well, to get better when we are ill and, when we cannot fully recover, to stay as well as we can to the end of our lives. It works at the limits of science – bringing the highest levels of human knowledge and skill to save lives and improve health. It touches our lives at times of basic human need, when care and compassion are what matter most.

This supports NHS Health Scotland's core values: Care and compassion, dignity and respect, openness, honesty and responsibility and quality and teamwork.

Former CEO of NHS Health Scotland, Gerry McLaughlin, stated: "We are driven by the need to maintain the focus on fairness and prevention in policy and in practice. We are committed to working openly, collaboratively and in the common interest. Our focus as an organisation is always to produce the highest quality knowledge about what harms and what creates health, and to enable this knowledge to be applied at national and local level."

Risk management plays a role in ensuring that a framework is in place that identifies factors that may prevent us from providing excellent, safe, efficient and effective care. The aim of risk management is to ensure these risks are identified early, assessed as to the best way to manage or control them to reduce their effect and achieve corporate objectives and support robust decision making throughout the organisation.

About Us

NHS Borders provides the Scottish Borders with acute, primary care, mental health and learning disability services to approximately 115,000 people that make up the Scottish Borders community.[1] NHS Borders overall aim is to improve health, wellbeing and independence to the people by improving patient, staff and public experience, improving clinical outcomes and giving value for money. NHS Borders is committed to providing a safe environment for delivering care to protect patients, staff and the organisation from harm and work to have a safety culture that is continually improving.

This Strategy is based on the philosophy that the management of risk should be holistic, supporting clinical, corporate, public and staff governance. The Health Board, managers and staff have a duty of care to integrate risk management in their activities to enhance the quality of service and drive risk management effectively.

NHS Borders has a single approach to risk covering clinical, corporate, financial and occupational health and safety. This allows good governance of all risks on the risk register. As well as close links with clinical, corporate, public and staff governance groups, risk management is also embedded within the organisation's performance management framework for clinical boards.

Risk management is a responsibility of NHS Borders Health Board and requires *all* staff to work in partnership to achieve best practice. This incorporates the aims and policies required to make explicit the arrangements for the integrated management of risk.

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[1] National Records Scotland, Scottish Borders Council Area Profile, Population Estimates as at 30.06.2017. https://www.nrscotland.gov.uk/files/statistics/council-area-data-sheets/scottish-borders-council-profile.html

Scope

The Strategy and supporting policies apply to all of NHS Borders undertakings and employees. Independent Contractors and all other types of contractors and healthcare partners will be required to co-operate with NHS Borders in implementing the Strategy and attaining the strategy objectives, as described through contractual details or service level agreement. NHS Borders' involvement in strategic planning and regional working, linking with other stakeholders such as commissioning health and social care packages will be undertaken in accordance with this risk management strategy, policy and management systems.

Aim and Objectives

The aim of this Risk Management Strategy is to support the delivery of the organisational objectives through effective management of risks across all of NHS Borders' functions and activities through effective risk management processes, measurement, analysis and organisational learning as outlined in NHS Borders Clinical Strategy, NHS Health Scotland's Healthcare Quality Strategy, the 2020 Vision for Scotland and Once for Scotland. There are ambitious targets for health boards to achieve and remain central to day to day work of the health service.

The strategic risk management aims and objectives for 2020-2025 are:

- NHS Borders risk management will follow international standard BSI 31000
- A single system approach for all types of risk
- Move from a reactive to proactive risk management stance
- All risk management processes are electronic; adverse events, risk register, risk assessment, claims and complaints
- An education program is in place to support staff to implement risk management
- Support achievement of the Clinical Governance strategy, local health plans and health and social care partnership
- A risk appetite is in place that will reflect the organisation's position
- Support a positive risk management culture
- Leadership and commitment to risk management throughout the organisation will be reflected through board leadership
- Risk management assurance will be gained through governance structures

Benefits

Amongst the benefits that the Health Board will gain from this strategic approach:

- A progressive management style and culture of continuous improvement that is enhanced by recognisable organisational arrangements for the management of risk.
- Clear ownership and accountability for risk and its management, so that risk is effectively monitored and proactively managed.
- The corporate objectives are more likely to be realised through early identification and proactive management of threats to cost, resources and performance.
- Financial benefit to the organisation through improved decision making and robust management.

Culture

To be most effective, risk management should be part of an organisation's culture. It should be embedded into the organisation's philosophy, practices and business processes rather than be viewed or practiced as a separate activity. When this is achieved, everyone in the organisation becomes involved in the management of risk. Managing risks increases the likelihood of success and reduces the likelihood of failure. In essence, good risk management is good management.

NHS Borders recognises that risk is inherent in the delivery of healthcare and that risk management should be part of an organisation's culture. Developing a risk management culture is a critical part of the risk management framework, but it is perhaps one of the most difficult components. Building awareness, competence, knowledge and capability, while changing a mind-set and behaviour takes time. It is crucial to develop a work environment that instils confidence within staff to challenge and question without fear, enabling staff to be effective in managing risk.

A positive risk culture should exhibit the following features:
- Clear evidence of support from the top of the organisation through leadership;
- Staff and managers have a clear understanding of the role of risk and the benefits of risk management;
- Risks are assessed not only for what could go wrong but what could go right;
- Risk management is automatically considered: it's embedded into working practices as the norm and not seen as an additional duty to perform;
- Team work with colleagues and other stakeholders is encouraged with open and honest discussions around risks;
- Risk information and good practice is shared across the organisation and lessons learned from actual events or near misses are used to benefit service delivery;
- Risk management performance is measured not only at ward, team, service and departmental level but also on a personal level through appraisal systems;
- Risk management is integrated into strategic and operational planning systems, service development, organisational change and operational systems of safe working practices.

INTEGRATION – CONTRIBUTION - EMPLOYEE INVOLVEMENT

LEVEL 1 – AD HOC	LEVEL 2 – MANAGED	LEVEL 3 - STANDARDISED	LEVEL 4 - PREDICTABLE	LEVEL 5 – EXCELLENCE
Risk is not considered to contribute to service success and is perceived to be a burdensome addition to day to day work	Risk is considered as contributing to service success but it is seen as an additional element to day to day work	Risk is understood to contribute to service success and it is common practice to consider it in day to day work	Risk is routinely considered when making service decisions and in day to day working	Risk is considered to be critical to service success and is a valued integral element of day to day work

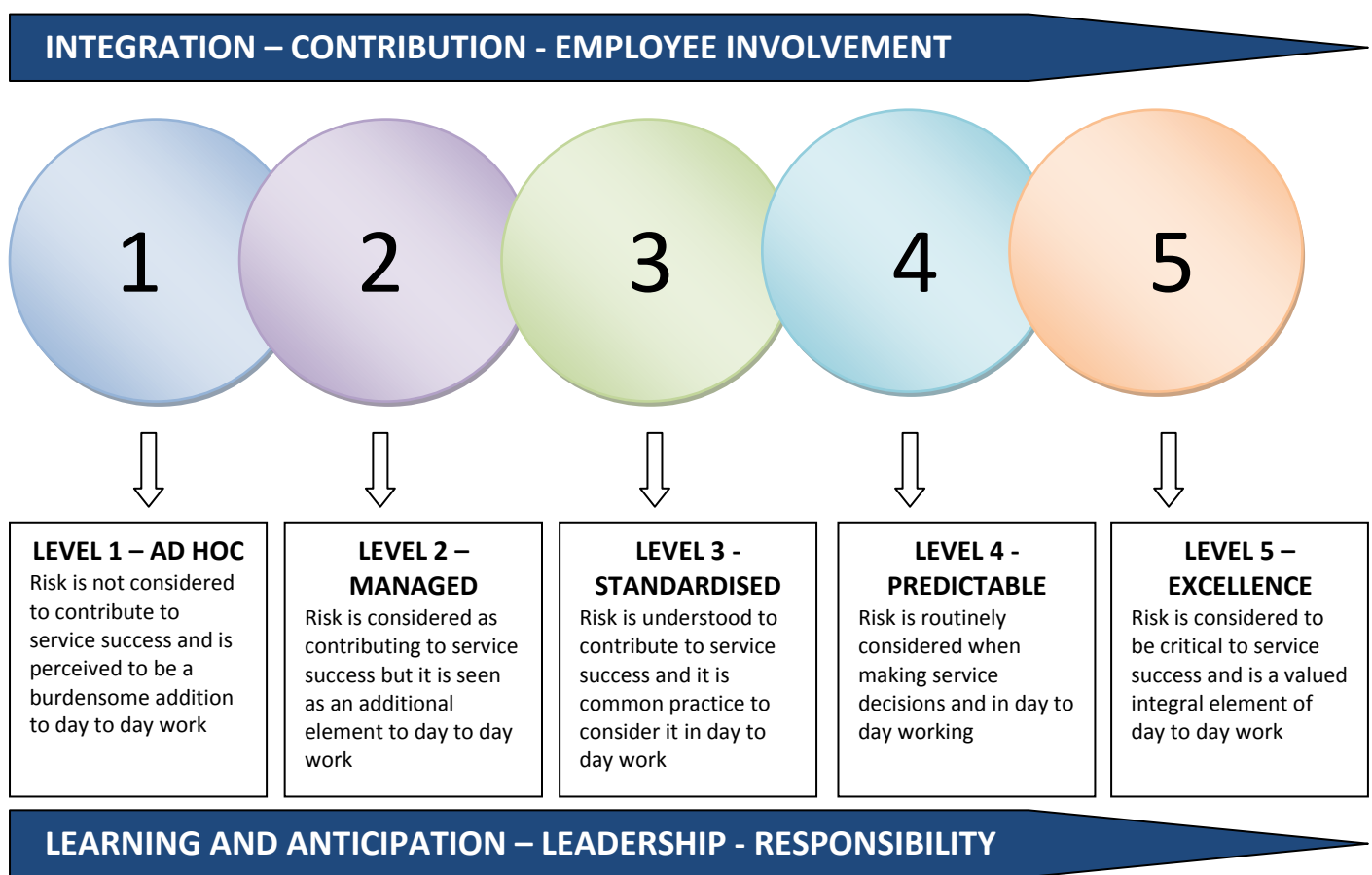**LEARNING AND ANTICIPATION – LEADERSHIP - RESPONSIBILITY**

Figure 1: Cultural maturity model

The risk culture of NHS Borders is measured using the cultural maturity model. The maturity model is an indicator for areas of improvement in embedding the strategy, policy, procedures and processes into the organisation to move towards a level where risk is part of day-to-day working. This may vary across areas which will inform the overall cultural maturity level of NHS Borders.

Within this strategy NHS Borders aims to move from Level 2 and achieve level 3 in the cultural maturity model.

Risk Management Framework

NHS Borders currently follows the British Standard ISO31000:2018: Risk Management Standard which describes risk as 'an effect of uncertainty on objectives'. This framework provides a systematic and consistent approach to managing risk throughout the organisation. The framework provides an infrastructure that supports the risk management activities of NHS Borders to attain the corporate objectives and ultimately the effective delivery of safe, effective and person centred care.

Details of the framework are fully depicted within the Risk Management Policy.

Healthcare Governance

Risk management feeds into the term 'healthcare governance'. The term is used in many documents and it is important to ensure that NHS Borders staff, patients and healthcare partners are clear as to what meaning and scope this covers within this NHS Borders strategy.

NHS Borders healthcare governance centres on:

- **Risk management and resilience e.g. corporate risk management, claims management, business continuity, emergency planning**
- Occupational health and safety; workforce well being, people and environmental safety in accordance with statutory duties.
- Clinical effectiveness of services e.g. clinical audit, clinical guidelines, organisational clinical policies/procedures, patient information, medical revalidations, national reviews and inspections, improvement support
- Person centred e.g. complaints and patient feedback, public involvement, volunteering
- Research e.g. research studies, research ethics and governance
- **Patient Safety: prevention of errors & adverse effects to patients associated within our healthcare systems e.g. clinical risks, adverse event management, medicines safety, patient safety programme**

Specifically this will include:
- National, internal and external audit or inspection reports for all areas of work as above

Healthcare governance is the overall framework through which assurance is provided to NHS Borders for continuously improving performance and outcomes in the defined areas as above.

Operational Structure

Operational risks are fed into the Risk Management Board and will scrutinise and monitor risks across the services provided by NHS Borders and for those provided through an integrated system between health and social care. The Risk Management Board will be responsible to the Clinical Executive and Strategy Group.

The Risk Management Board will promote an active partnership approach within NHS Borders with staff, patients, key stakeholders and other organisations to enhance the quality of service provided and support the delivery of person centred, safe and effective healthcare. In addition the Risk Management Board will monitor organisational wide learning relating to healthcare governance matters and foster a culture of learning, openness and transparency encouraging staff, patients and the public to feedback and raise issues. The Risk Management Board will identify system wide issues requiring a collaborative approach to support continuous quality improvement in healthcare delivery and feed these issues into the Clinical Executive Group. Using the risk framework and the risk management

process, the Risk Management Board will fulfil the statutory and professional obligations of the organisation in relation to all types of risk.

Through the performance review structure, the Clinical Executive and Strategy Group will monitor the risk management performance of NHS Borders. As a core duty the Clinical Executive and Strategy Group will support the governance requirements of the Local Health Plan and corporate objectives. In carrying out its role the Group will have an annual work plan which will include reports from groups including clinical boards and support services, the Risk Management Board, the Information Governance Committee, Occupational Health and Safety Forum, Resilience Committee, Infection Control Committee, Research Governance, Security Group and any short life working groups.

COVID-19 Risk

NHS Borders follows the same BSI 31000 framework when dealing with risks presented by Covid-19. Risks are captured within a 'Covid-19 Risk Register' monitored by risk owners. This is kept under appropriate review by the Risk Management Board and Covid-19 Pandemic Committee (Gold Command).

Governance Structure

The Independent Commission on Good Governance in Public Services emphasises that 'effective governance also leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes'. It counterbalances this with weak governance leading to poor performance, negative relationships, low morale and ultimately to dysfunctional organisations. Therefore good governance is an essential part of the success of NHS Borders.

NHS Borders corporate governance structure includes the Audit Committee as depicted in appendix 1. The Audit Committee will monitor the agenda and support the development of the organisations Governance Statement and other statutory requirements to enable assurance to the health board.

The Audit Committee will set an annual audit timetable for risk management with its roles including:
- Reviewing and agreeing the annual internal audit work plan
- Ensuring recommendations are actioned by the Board Executive Team
- Disseminating audit reports to the relevant committees
- Encouraging the use of audit reports as improvement tools
- Monitoring and assessing the effectiveness of the audit team
- Responsible for oversight of the health board's relationship with external auditors, including reviewing the scope of the annual audit plan.

As part of the governance structure within NHS Borders, strategic risks will be fed into the appropriate governance groups from the Board Executive Team.

Assurance

It is the responsibility of NHS Borders to ensure systems are in place to deliver relevant, accurate and timely information on risk management that can provide the assurance on the organisation's strategic, operational and financial plans.

Audit

Internal Audit will consider certain aspects of NHS Border's risk management arrangements within their annual audit opinion.

Monitoring

NHS Borders Clinical Executive and Strategy Group will approve and own the delivery of the Risk Management Strategy delegating implementation to the Risk Management Board.

Borders NHS Board through its sub-committees of Clinical Governance and Audit will monitor the effectiveness of the Strategy. Specifically the Audit Committee will act as the governance body overseeing risk management

reporting to the NHS Borders Health Board. The purpose of the Audit Committee is to assist the Board to deliver its responsibilities for the conduct of public business, and controls, system and processes for staff, public and clinical governance under its control. In particular, the Committee will seek to provide assurance to the Board that an appropriate system of internal control is in place.

The Clinical Governance Committee will act as the governance body overseeing patient safety, clinical effectiveness and person centred care reporting to the NHS Borders Health Board. The purpose of the Clinical Governance Committee is to seek assurances that clinical governance controls are in place and effective across NHS Borders and that the principles of clinical governance are applied to the health improvements activities of the Health Board.

Strategic risks are scruitinised through the appropriate governance committee in order to seek assurance they are being appropriately addressed.

Weaknesses identified may form the basis of an entry into the Governance Statement.

Review of strategy
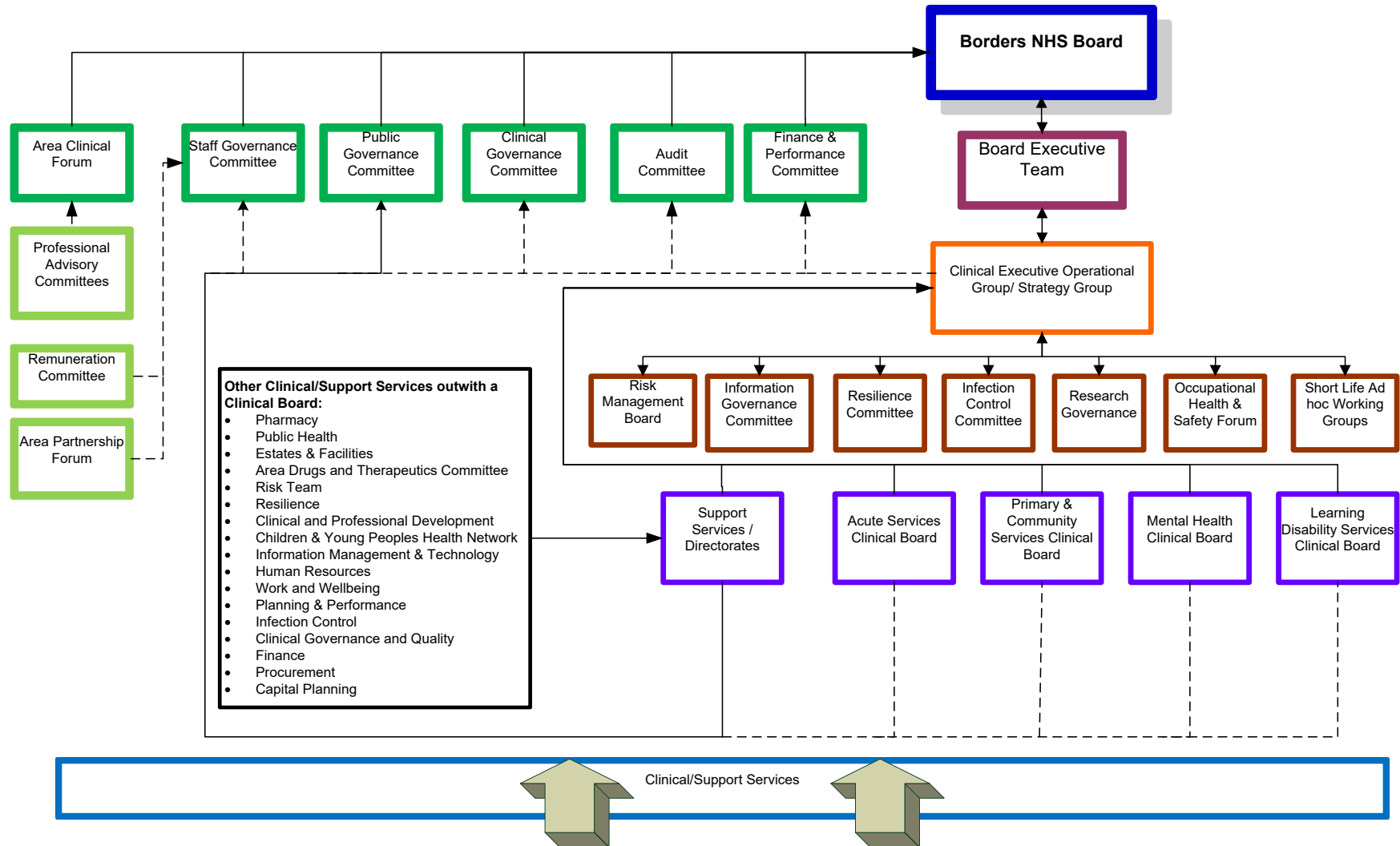This strategy will be reviewed on a 5 year cycle from the approval date.

NHS Borders Structure
Depicting reporting lines for the purpose of Board scrutiny and assurance and operational delivery
Date: 01.01.2020

--------- Scrutiny and assurance
→ Operational accountability

Borders NHS Board

Area Clinical Forum

Staff Governance Committee

Public Governance Committee

Clinical Governance Committee

Audit Committee

Finance & Performance Committee

Board Executive Team

Professional Advisory Committees

Clinical Executive Operational Group/ Strategy Group

Remuneration Committee

Area Partnership Forum

Other Clinical/Support Services outwith a Clinical Board:
- Pharmacy
- Public Health
- Estates & Facilities
- Area Drugs and Therapeutics Committee
- Risk Team
- Resilience
- Clinical and Professional Development
- Children & Young Peoples Health Network
- Information Management & Technology
- Human Resources
- Work and Wellbeing
- Planning & Performance
- Infection Control
- Clinical Governance and Quality
- Finance
- Procurement
- Capital Planning

Risk Management Board

Information Governance Committee

Resilience Committee

Infection Control Committee

Research Governance

Occupational Health & Safety Forum

Short Life Ad hoc Working Groups

Support Services / Directorates

Acute Services Clinical Board

Primary & Community Services Clinical Board

Mental Health Clinical Board

Learning Disability Services Clinical Board

Clinical/Support Services

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