Risk Management Strategy

2020-2023

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Responsible Manager (Sponsor)	Head of Risk and Assurance
For use by	All staff, volunteers and visitors

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Change record form

Version	Date of change	Date of release	Changed by	Reason for change
0.1	2018	2018	-	New Strategy
0.2	September 2020	November 2020	J Taylor	Refresh of organisational risk management arrangements

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1. Introduction

North West Ambulance Service NHS Trust (the **Trust**) recognises as a healthcare provider that risks will inevitably occur in the course of providing care and treatment to patients, employing staff, owning, leasing and maintaining premises and equipment, and managing finances.

The Trust recognises that principles of good governance must be supported by an effective risk management system that is designed to deliver improvements in patient safety and care as well as the safety of its staff. The Trust will therefore set in place and implement processes and practice which enable a dynamic and systematic approach to risk management and which ensure prompt and comprehensive identification, assessment and management of risks.

All actions contain inherent risks. Risk management is central to the effective running of any organisation. At its simplest, risk management is good management practice. It should not be seen as an end in itself, but as part of an overall management approach. The Trust will ensure that decisions made on behalf of the organisation are taken with consideration to the effective management of risks.

The Board of Directors is committed, through the Board Assurance Framework and governance structure, to ensuring that risk management forms a key element of its philosophy, practices and business plans, with responsibility for implementation accepted at all levels of the Trust.

2. Purpose

This strategy defines the broad aims and principles of risk management across the Trust, and sets key targets and milestones for the next twelve months at which point it will be refreshed. The aim of this Risk Management Strategy is to provide a supportive framework that ensures integration of risk management into policy making, planning and decision making processes; and specifically:

- To protect patients, carers, staff and others who come into contact with the Trust;
- To create awareness through the Trust about the importance of recognising and managing risk and providing staff with the appropriate knowledge, skills and support;
- To promote positive risk taking in the context of clinical care and in controlled circumstances;
- To provide a robust basis for strategic and operational planning through structured consideration of key risk elements;
- To enhance partnership working with stakeholders in the delivery of services;
- To improve compliance with relevant legislation and national best practice standards; and
- To enhance openness and transparency in decision-making and management.

2.1. Definitions

Risk is the chance that something *may* happen that *may* have an impact on achievement of the Trust's aims and objectives. It is measured in terms of likelihood (frequency or probability of the risk occurring) and severity (impact or magnitude of the effect of the risk occurring). It is something that *may* happen in the near or more distant future. It may be unlikely or almost certain to occur. Risk is related to uncertainty of outcome, whether positive opportunity or negative threat. **If it will *definitely* occur or *has already* occurred then it is an *issue* and subject to a different process.**

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The term 'risk' is often seen as a negative phrase. However, the taking of planned and evaluated risks to sustain development and improvement can be a positive measure of success. For a public organisation such as a NHS Trust, risks can be contained within five broad categories:

    i.   **Strategic:** the risks associated with the Trust's ability to maintain its longer term viability and the delivery of national and local priorities;

    ii.   **Operational/Performance:** the ability of the Trust to deliver: high quality care for patients in accordance with the business plan; its contracts to deliver care; and the registration requirements set by the Care Quality Commission;

    iii.   **Finance:** the risk that a weakness in financial control could result in a failure to safeguard assets, impacting adversely on the Trust's overall financial viability and capability for providing services;

    iv.   **Reputation:** the risk that the Trust receives negative publicity, which impacts on public confidence in the organisation; and

    v.   **Opportunistic:** a risk which provides an opportunity for developing and growing business and being creative and proactive in seeking new business ventures.

Risk Management

Integrated risk management is a process through which organisations identify, assess, analyse and manage all risks and incidents across a number of categories at every level of the organisation. In practice this means:

- Incorporating all risks into the processes for risk register development, and integrating processes and decisions about risk into future business and strategic plans;
- Integrating risks from all sources, for example health and safety risk assessments, incidents and complaints as well as identifying risks to delivering strategic and business objectives;
- Integrating risk management functions with service development and clinical governance activity to unify frameworks and improve outcomes for patients;
- Integrating all sources of information, both reactive i.e. as a result of something that has happened (e.g. incidents) and proactive i.e. anticipating what could or might happen (e.g. risk assessments);
- Integrating systems of risk assessment to improve clarity and communication; and
- Implementing a consistent approach to training, management analysis and investigation.

The risk management process will be used to:
- Identify potential risks with the intention of initiating and monitoring action to prevent or reduce the adverse effects of risks;
- Manage the treatment of risk in a systematic way so that the organisation can determine acceptability of residual risks;
- Provide a comprehensive approach to improving patient and staff safety;
- Improve decisions about resources and priorities; and
- Provide information to the Board through the committee structure so that it can make informed decisions.

In considering how to respond to an identified risk, the following principles should be taken into account:

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- **Balancing relative risks** – where the management of one risk adversely effects the management of another risk or increases the rating of that risk, a decision will be required about proceeding with planned controls based on the significance of each risk;
- **Avoiding creating a risk from controlling a risk** – establishing controls and mitigations for one risk may in itself create a different or new risk and measures should therefore be assessed for their unanticipated consequences;
- **Ensuring mitigation/control is proportionate to risk** – proportionality will include time, effort and resources balanced with the overall rating and significance of the risk being managed;
- **Paying attention to changes in risk ratings, and ensuring regular reviews of ratings and controls** – while the level of risk will determine its priority the focus should not solely be on high and extreme risks; and
- **Aligning risk management with the development and implementation of policies and procedures** - policies and procedures should anticipate and address risks and should form part of the controls and assurance for mitigating and removing risks. Similarly development or review of policies should identify the risks they are in place to mitigate or remove.

Risk appetite is the amount of risk that an organisation is prepared to accept, tolerate or be exposed to at any point in time and is intended to guide employees in their actions and ability to accept and manage risks. It is defined by the organisation's willingness to accept and manage risk in pursuit of its objectives, bearing in mind that risk is an inherent part of the delivery of healthcare and can create opportunities as well as threats.

Risk management processes describes the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, defining, analysing, evaluating, treating, monitoring and communicating risk.

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**Risk Capacity** is the maximum level of risk to which the organisation should be exposed.

Risk Profile is the overall exposure of the organisation (or given level of the organisation) to risks at any time.

3. Risk Management Framework

The Trust operates four tiers of risk management which are interlinked via an Assurance and Escalation Process. The escalation of a risk is dependent upon the risk owners ability or control to mitigate, control or remove the risk; if it affects more than their area of responsibility; or if it constitutes a significant and material risk to the Trust and therefore requiring a multi-directorate approach to management.

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The diagram below defines the 'Assurance and Escalation Pyramid' and demonstrates the route of assurance and escalation takes.
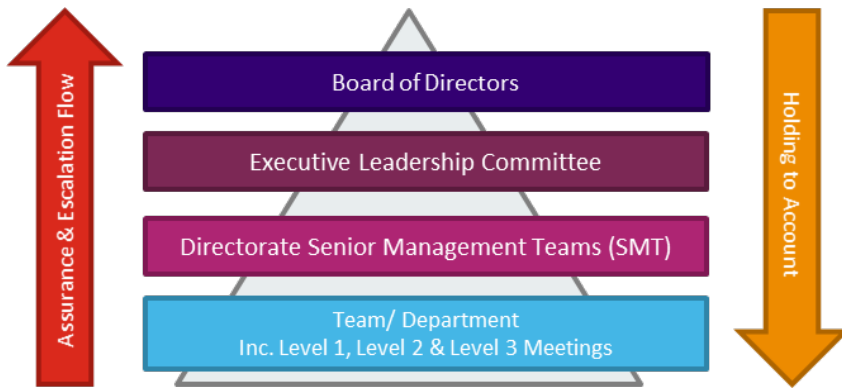
4. Principles

The following principles underpin the Risk Management Strategy:

- That risk management will be embedded in the core processes and systems of the Trust; including policies, procedures, business planning, business case development, performance management and corporate governance
- That these core systems will be reflected in the Directorate risk management arrangements
- Risks will be actively managed and positive assurance sought
- The risk register will be a live, actively managed and reviewed document and not simply a passive repository of risks
- That risk management is the responsibility of all staff within their own sphere of work, so that the person best placed to manage each identified risk is the one that does so
- That high-risk areas and activities will attract greatest focus and attention
- That there will be learning from analysis of incidents, complaints and claims and explicit roll-out of identified improvements
- The strategy will actively promote and underpin the acquisition of relevant accreditations, including the registration requirements of the Care Quality Commission (CQC).

5. Strategy Objectives

The Risk Management Strategy stretches the ambition of the Trust in its management of risk via the following objectives:

Objective 1: Define the organisations' risk appetite
We will further develop the Trust's risk appetite by: - Raising Board of Director 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 priorities - Reviewing the Risk Appetite Statement on an annual basis as part of the business planning process

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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 Corporate Risk Team.

We will seek to ensure risks 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 performing organisation.

Objective 3: 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 performance data to improve the management of risk and improve outcomes.

Objective 4: Enhance the knowledge of staff in risk management across the Trust

As well as including training in the Trust's risk management processes, we will help to embed a consistent language of risk management, including concepts such as controls, mitigations, assurance, and risk appetite and risk tolerance.

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

Objective 5: Strengthen the system of assurance regarding risk through to Board level

The Board Assurance Framework aims 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.

6. **Activities to deliver this strategy will include:**
   - Collaborative working with teams, services, directorates and functions to develop their risk management capability and ensure risk management is dynamic and part of the everyday;
   - Embedding risk management in quality and governance processes at all levels of the Trust;
   - Using data in a risk-focused way (what does this tell us about the service and where there are risks and vulnerability);
   - Ensuring risk registers interact appropriately at different levels of the Trust to ensure risks are appropriately escalated and that there is oversight of risks as appropriate at senior levels of the organisation; and
   - Ensuring staff are aware of the options for managing a risk – whether to tolerate (accept), treat (reduce or remove), transfer (responsibility), terminate (suspend the risk situation/activity) or take the opportunity.

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7. Equality and Diversity

The Trust is committed to ensuring that, as far as is reasonably practicable, the way we provide services to the public and the way we treat our staff reflects their individual needs and does not discriminate against individuals or groups on any grounds.

8. Monitoring

The Trust Annual Report will contain a format statement of risk management activity during the previous financial year and will highlight key issues arising.

9. References

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