



Sussex Community
NHS Foundation Trust

Risk Management Strategy

2021 - 2024



*Excellent care at the
heart of the community*

Reader Box	
Description	Risk Management Strategy
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Notes	This strategy is an externally facing document, setting out how the Trust manages Risk Management, including the organisation's appetite statement. The strategy is supported by the Risk Management Policy, an internal document, which sets out the internal arrangements and responsibilities for SCFT staff at all levels.

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Introduction

Definition of Risk: *The potential of an event occurring with the combined likelihood and consequence of harm, injury, damage or loss occurring or impacting the achievement of the Trust's objectives or strategic goals.*

An understanding of the risks that face NHS Foundation Trusts is crucial to the delivery of healthcare services moving forward. The business of healthcare is by its nature, a high-risk activity and the process of risk management is an essential control mechanism. Effective risk management processes are central to providing Sussex Community NHS Foundation Trust's (SCFT) Board with assurance on the framework for clinical quality and corporate governance.

The stated vision for SCFT is to provide excellent care at the heart of the community. To ensure that the care provided at SCFT is safe, effective, caring and responsive for patients, the board must be founded on and supported by a strong governance structure.

SCFT is committed to developing and implementing a Risk Management Strategy that will identify, analyse, evaluate and control the risks that threaten the delivery of its operational and strategic objectives. The outputs from the Trust's register of risk will be used alongside other management tools, to develop the Board Assurance Framework (BAF) and give the Board a comprehensive picture of the organisational risk profile.

The management of risk underpins the achievement of the Trust's objectives. SCFT believes that effective risk management is imperative to not only provide a safe environment and improved quality of care for service users and staff, it is also significant in the financial and business planning process where a successful and competitive edge and public accountability in delivering health services is required. This illustrates that **risk management is the responsibility of all staff**.

The Trust is committed to working in partnership with staff to make risk management a core organisational process and to ensure that it becomes an integral part of the Trust philosophy and activities. The Risk Management Strategy represents a developing and improving approach to risk management which will be achieved by building and sustaining an organisational culture, which encourages appropriate risk taking, effective performance management and accountability for organisational learning in order to continuously improve the quality of services.

The Board recognises that complete risk control and/or avoidance is impossible, but that risks can be minimised by making sound judgments from a range of fully identified options and having a common understanding at Board level on risk appetite.

As part of the Annual Governance Statement, SCFT will make a public declaration of compliance against meeting risk management standards. The Trust currently has established risk management systems and process in place as evidenced by internal and external audit opinion.

The Risk Management Strategy underpins the Trust's performance and reputation, and is fully endorsed by the Trust Board. The Risk Management Strategy is subject to review and approval by the Trust Board.

Purpose of the Strategy

The purpose of the Risk Management Strategy is to detail the Trust's framework and risk appetite within which the Trust leads, directs and manages risk. The internal arrangements for implementing the Strategy are detailed within the Risk Management Policy.

In addition to this strategy there are a range of policies that support the identification and management of risk within the Trust. These include:

- Risk Management Policy
- Incident Management & Reporting Policy
- Health & Safety Policy

Responsibility for Risk Management

The success of the Risk Management Strategy is dependent on the defined and demonstrated support and leadership offered by the Trust Board as a whole.

The day-to-day management of risk is the responsibility of everyone in the organisation. The identification and management of risks requires the active engagement and involvement of staff at all levels. Staff are best placed to understand the risks relevant to their areas of work and must be enabled to manage these risks, within a structured risk management framework.

Promoting a Fair and Open Culture

All members of staff have an important role to play in identifying, assessing and managing risk. To support staff the Trust provides a fair, open and consistent environment which does not seek to apportion blame. In turn, this will encourage a culture and willingness to be open and honest to report any situation where things have, or could go wrong. Exceptional cases may arise where this is clear evidence of willful or gross neglect contravening the Trust's policies and procedures and/or gross breaches of professional codes of conduct which will be managed and referred accordingly.

Aims of the Strategy

The Risk Management Strategy has the aim of achieving well managed risks so that the SCFT vision of excellent care in the heart of the community can be realised. To achieve this aim SCFT the principle overall aims are:

- To develop a culture where risk management is integrated into all Trust business.
- Ensure clear accountability for risk management
- To ensure all risks, including operation, corporate, and project risks are being identified through a comprehensive and informed risk register and risk assessment process.

- To ensure compliance with NHS England, NHS Improvement, CQC registration requirements, and Health and Safety Standards.
- To ensure that risk management processes and arrangements are reviewed and monitored annually.
- To eliminate or reduce risks to patients, carers, staff, sub-contractors, members of the public, visitors, etc. to an acceptable level.

The effectiveness of risk management, the Risk Management Strategy, and Risk Management Policy will be monitored and reported upon through the Trust's Quality Governance structures (see Appendix 1 Quality Governance Structure) and the 'Board Governance & Escalation Framework'.

Risk Management Standards

The Trust's risk management processes, as outlined in this strategy and the Trust's Risk Management Policy, are based upon the ISO31000: 2018 Risk Management Guidelines. The use of international standards and recognised approaches to risk management enable compliance with legislation, NHS Improvement and CQC requirements. This includes the Health and Social Care Act 2012, CQC standards, NHS Foundation Trusts: Code of Governance 2014, Section C2: Risk Management and Internal Control; NHS Improvements - Risk Assessment Framework, and Provider Licence Conditions.

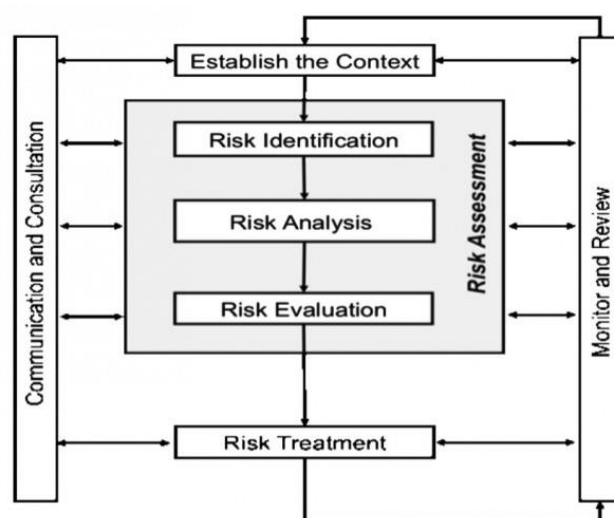


Figure 1. ISO 31000 Process of Risk Management.

ISO31000 contains five key steps (see Figure 1). These keys and their relevance to SCFT's risk management arrangements are summarized below:

1. **Establish the context.** Identification of risk may arise through a variety of mechanisms; including: local risk assessments, gap analysis of competencies or NICE recommendations, findings from incident or complain investigations, or as a result from internal or external audits.

2. **Risk Identification.** Risk assessments should be carried out on all business cases, project plans, quality and cost improvement plans to forecast any potential risks, escalating and informing through the Quality Governance Structure and Risk Register.
3. **Risk Analysis.** Risks are analysed and scored by risk owners, and continually reviewed through the Quality Governance Structure as risks are reported upon, reviewed, and escalated where appropriate.
4. **Risk Evaluation.** Risks are continually reviewed at a frequency and level of responsibility/accountability proportionate to the level of risk (as set out in the Risk Management Policy). Each review evaluates whether the control measures and assurances are effective and whether risks are increasing or decreasing in score, or if a risk can be closed following successful elimination, mitigation or transfer of the risk.
5. **Risk Treatment.** All risks will include a target score (e.g. the point at which the risk is considered safe or acceptable to the organisation) and the actions or state necessary to reach the target score. Timescales for reviewing risks and estimated dates for reaching target scores will be continually reviewed on all risks.

The Communication, Monitor and Review elements of the ISO3100 model are implemented through Quality Governance reporting structures: where risks are reviewed, communicated, and escalated up to the Board and it's sub-committees as and when appropriate.

In order to ensure consistency of risk quantification across the Trust a standardised set of descriptors and scoring matrices (based upon the Australian/New Zealand Standard AS/NZS 4360:2004; and used across the NHS) is used for risk analysis.

Risks are scored based upon the consequence of a risk and the likelihood of it being realised (see Figure 2).

Consequence:	Likelihood:				
	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
Insignificant (1)	1	2	3	4	5
Minor (2)	2	4	6	8	10
Moderate (3)	3	6	9	12	15
Major (4)	4	8	12	16	20
Catastrophic (5)	5	10	15	20	25

Figure 2. Risk score matrix.

Risk rating makes evaluation of the risk easier to reference to other risks in an Area or another part of the organisation. This standard approach supports consistent risk scoring; providing a systemic framework by which to identify the level at which risks will be managed, prioritising remedial actions and the availability of resources.

Risk rating also allows the Trust to set its risk appetite, informs escalation processes including the urgency of action to mitigate the risk and clarifies ownership, reporting and oversight.

Risk Management Approach

The Trust's processes for managing risk include several steps (see Figure 3) and reporting lines outlined below.

- **Local risk assessments.** In the first instance staff and services are provided with training and tools to manage risks at a local level (e.g. project programmes, patient specific/clinical risk assessments, health and safety risk assessments). In the majority of cases these are managed to an appropriate level within a service or team. These assessments will be communicated to the applicable staff and other groups of people affected, and records kept locally, for information and auditing purposes. In situations where significant risks are encountered (e.g. those outside of a team's control or might have an impact outside of the immediate team/service) the risk assessment is escalated to the applicable Corporate / Area Governance meeting for consideration on the Trust's Risk Register.
- **Escalating significant risks on the Risk Register.** The Trust uses a web based risk management system (i.e. Datix) for the reporting of risks. The system enables risks to be developed, reviewed, updated and closed online. Reports can be generated from the Risk Register; providing live analysis, oversight and assurance about the Trust's significant risks. Each Corporate or Area Governance meeting will review new risks from their directorate, and review all existing risks applicable to their Area/Division each month, ensuring records are maintained and updated as per the Risk Management Policy. Corporate and Area Governance meetings, and specialist groups/committees (e.g. Health & Safety Committee, Infection Prevention & Control Committee) will report on their risks through the Trust's Quality Governance Structure.
- **Reporting on the Risk Register.** The Risk Register is based on an online system called Datix and includes different types of risks, including operational risks relating to a service or department, risks from corporate services, and thematic risks which cover a Trust wide theme or risk (e.g. workforce, IT infrastructure). Datix is used to generate analysis, enabling bespoke and regular reports. Regular reports on the Risk Register, include:
 - Monthly data, on all operational risks with a current risk score of 15 or higher, for performance indicator reports (PIR) to the Board.
 - Monthly '12+ Risk report's on all risks with a current score of 12 or higher to the Trust-Wide Governance Group (TWGG) and Executive Committee.
 - Quarterly Risk Analysis reports to TWGG and Audit committee.
 - Quarterly Risk Oversight Group (ROG).
 - Yearly review of the whole risk register.
 - Risk data informing the generation of the BAF.
 - Reports on specific types of risks for specialist groups and committees (e.g. Medicines Management Safety & Governance Group).
- **Board Assurance Framework.** The BAF uses data from the Risk Register, and information escalated up through the Trust's Quality Governance Structure, to inform the Board regarding any risks that may impact on delivery of the Trust's Strategy objectives.

The BAF informs the Board where the delivery of strategic objectives is at risk due to any gaps in control and/or assurance. Any significant gaps can then be identified, remediate action taken, and where appropriate additional measures implemented. This allows the Trust to respond rapidly and effectively, ensuring the safety of patients and staff.

The Trust Board undertake a high level review of the BAF on a quarterly basis. Each risk on the BAF has an identified risk owner, who is responsible for managing and reporting on the overall risk. The level of responsibility and seniority of risk owners is expanded within the Risk Management Policy. The Audit Committee carries out a quarterly detailed review of the BAF to assure the Trust Board that it is being monitored, gaps in controls identified, and processes put into place to minimise the risk to the organisation.

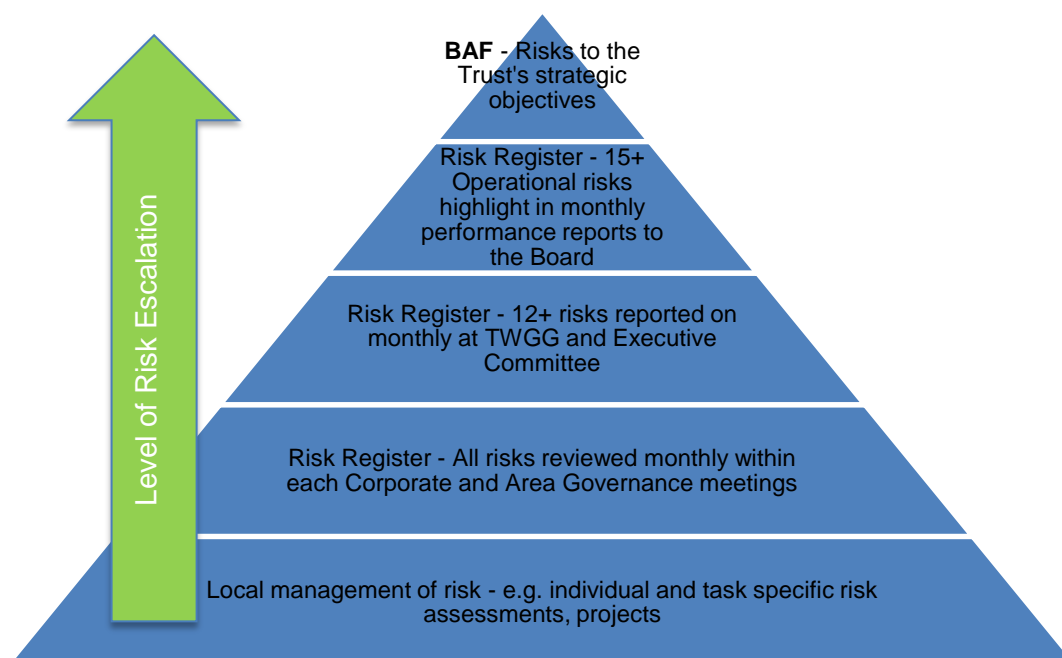


Figure 3. Overview of Risk Management Escalation in SCFT.

Escalation

The Board assurance and escalation framework describes the Trust's Quality Governance structure enabling risks and issues to be managed at the appropriate level within the Trust, ensuring there is a committee/group or meeting with responsibility for providing assurance that risks have been suitably and effectively identified, assessed and documented. This includes processes for the initial and ongoing review of risk scores, adequacy of controls, supporting action plans, agreement of target scores and timeframes and confirmation of the correct recording of the risk on the Datix system.

The committee/groups are also responsible for ensuring that all controls and actions are proportionate and implemented effectively.

The organisational management of risk forms part of the Trust's overall approach to governance in accordance with board governance and escalation framework, summarised in Figure 4 below

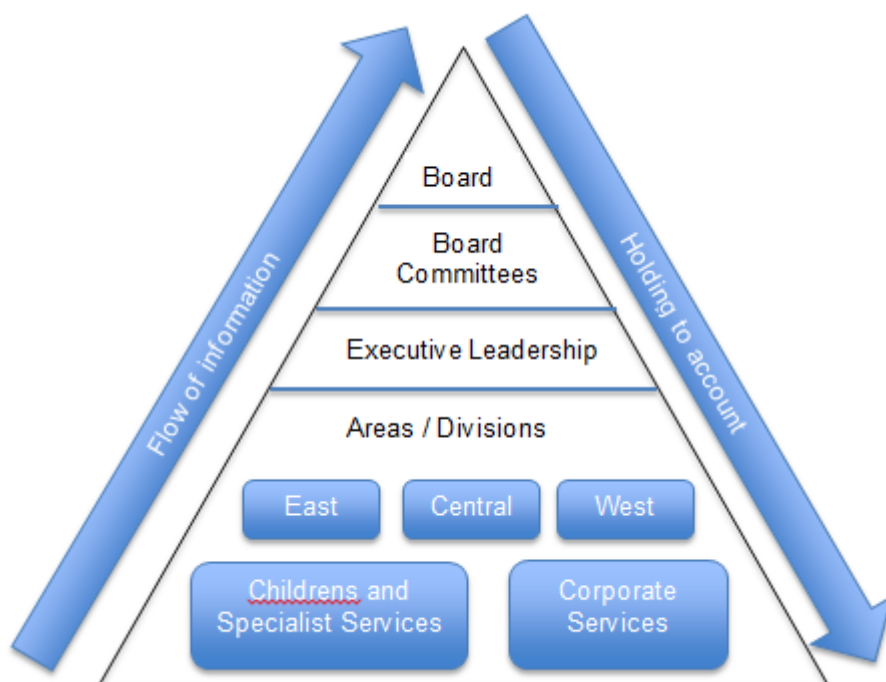


Figure 4. Overview of risk escalation and accountability

Risk Appetite

This Trust's Risk Management Strategy sets out the process for determining the Trust Board's appetite for risk and how the appetite is implemented into day to day risk management processes across the whole organisation. Risks throughout the organisation are managed within the Trust's risk appetite, or where this is exceeded, action taken to reduce the risk.

Periodically the Board reviews it's appetite for taking or accepting risks, against established risk domains (source: Good Governance Institute), and publish an appetite statement as part of the Risk Management Strategy.

Definition of Risk Appetite

'The amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time.'
(HM Treasury - 'Orange Book' 2006)

The risk appetite of the Trust is the decision on the appropriate exposure to risk it will accept in order to deliver its strategy over a given timeframe. In practice, an organisation's risk appetite should address several dimensions:

- the nature of the risks to be assumed;
- the amount of risk to be taken on; and
- the desired balance of risk versus reward.

Determining Risk Appetite

The following risk domains and appetite scores (see Table 1) are used to determine the Board's appetite for taking or accepting different types of risk, using guidance from the Good Governance Institute. Determining the Board's risk appetite provides direction and guidance to risk owners on the extent to which different types of risk can be accepted, mitigated, or avoided.

- Risk to Business Continuity
- Risk to Business Growth
- Risk to Finance
- Risk to Innovation
- Risk to Patient Safety
- Risk to Quality
- Risk to Regulatory Compliance
- Risk to Workforce

Score	Appetite Level	Descriptor	Described as:
1	No appetite	<i>Avoid</i>	The avoidance of risk and uncertainty is a key organisational objective.
2	Low appetite	<i>Minimal</i>	The preference for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential.
3	Moderate appetite	<i>Cautious</i>	The preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.
4	High appetite	<i>Open</i>	Open and being willing to consider all potential delivery options while also providing an acceptable level of reward (and value for money).
5	Significant appetite	<i>Seek</i>	Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).
6	Significant appetite	<i>Mature</i>	Confident in setting high levels of risk appetite because controls, forward scanning and responsive systems are robust.

Table 1. Risk Appetite levels

Trust Statement on Risk Appetite

"The Trust recognises that its long term sustainability depends upon the delivery of its strategic objectives and its relationships with its patients, the public and strategic partners. As such, the Trust will not accept risks that materially impact on patient safety. However the Trust has a greater appetite to take considered risks in terms of their impact on the organisation and its reputation. The Trust has greatest appetite to pursue innovation and challenge current working practices where positive gains can be anticipated, within the constraints of the regulatory environment."

Trust's Risk Appetite

Risk appetite can apply to a wide variety of risks and opportunities and within some appetite domains, the Board risk appetite sits across several appetite levels (e.g. Finance) and individual risks or opportunities should be reviewed individually.

Executive Directors have oversight of the groups and committees informing the Trust Board, and its sub-committees. The Executive Directors provide direction and challenge on risks, ensuring any deviation from the Trust's appetite for risk is appropriate and/or highlighted where applicable.

The risk appetite is used when reviewing the Risk Register to ensure that the Trust is managing, accepting, and holding risks inline with the Board's risk appetite. The risk appetite is used to inform risk management training and guidance (e.g. the types of risk the Trust is prepared to accept and those which may need greater levels of control and assurance).

Assurance of Risk Management

The designated assurance committees (see Appendix 1) of the Trust Board are the Quality Improvement Committee (Quality Risk), the Resources Committee (Financial Risk), and the Audit Committee (internal audit). Each committee will have Terms of Reference (ToR) which details the committees' scope, responsibilities, membership, and reporting functions.

It is the responsibility of the assurance committees to report to the Trust Board any new risks, gaps in assurance or management control, and 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.

As part of the Quality Governance structure the Trust has a Risk Oversight Group who:

- Support and provide strategic oversight of the Trust's risk management systems.
- Provide assurance on the control systems for managing risk.
- Ensure that the Trust's Risk Register informs the BAF.

Within the Quality Governance Structure there are specialist, area, and corporate groups and committees who review and report on risks applicable to their work streams.

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 England/Improvement via an exception report.

All leads with responsibility for elements of risk will ensure appropriate assurance systems are applied. Examples of internal assurance include committee monitoring reports, self-assessment processes, internal audit reports and the Trust's monthly and annual risk reports. External assurance examples include CQC assessment outcomes, reports from NHS Improvement and external audit outcomes.

Monitoring Compliance

The Audit committee will oversee an annual audit of compliance with the Trust's risk management processes. The audit will include assessment of the effectiveness of governance structures including high-level committee review of the risk register.

TWGG will monitor the effectiveness of quality governance committee structures, including compliance with their agreed terms of reference and ensure oversight of those committees risk management and escalation standards.

Reports on risk management and the effectiveness of the Risk register are reported upon to the Board and it's sub-committees.

Independent audits of the Trust's risk management processes are undertaken annually and the findings reviewed by the Audit Committee.

Appendix 1 – Quality Governance Structure (Master copy displayed on the Pulse)

