NHS
Birmingham and Solihull
Mental Health
NHS Foundation Trust

RISK MANAGEMENT POLICY

POLICY NO & CATEGORY	RS 01	Risk & Safety
VERSION NO & DATE	16	October 2023
RATIFYING COMMITTEE	Board of Directors	
DATE RATIFIED	October 2023	
NEXT REVIEW DATE	October 2024	
EXECUTIVE DIRECTOR	Executive Director of Finance	
POLICY LEAD	Associate Director of Corporate Governance	
POLICY AUTHOR *(if different from above)*	As above	
Exec Sign off Signature (electronic)		
Disclosable under Freedom of Information Act 2000	Yes	

POLICY CONTEXT

The Policy applies to all staff - **including** HMP Birmingham Healthcare staff and persons engaged in business on behalf of the Trust.

POLICY REQUIREMENT

- All staff members are responsible for:
  - ensuring that risks are identified, assessed and managed.
  - highlighting identified risks to their manager where they are unable to manage the risk as part of their legitimate role responsibilities.
- All operational service areas and Executive Directors should systematically review risks on their risk registers on a monthly basis, identify controls for mitigation and evaluate their effectiveness.
- The Risk Management Group will ensure effective working arrangements and controls are in place to proactively manage the escalation of risk. Risk moderation will take place at this Committee to determine whether any of the high scoring local risks will compromise delivery of the Trust's corporate objectives and business plan.
- All risks which could significantly compromise the Trust's ability to deliver its corporate objectives and business plan will be reviewed on a quarterly basis by the Quality, Patient Experience and Safety Committee, People Committee and Finance, Performance and Productivity Committee and will inform the Board Assurance Framework.
- The Audit Committee will review the effectiveness of the system of internal control including assurance that effective arrangements are in place for risk management and make recommendations to the Board as appropriate regarding its risk management arrangements.
- Although this Policy is set to be reviewed in one year, it could be reviewed earlier if significant changes occur within the Trust risk management landscape.

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1 Introduction

1.1 Rationale

Risk is the chance that something will happen that will have an adverse impact on the achievement of the Trusts aims and objectives. It is measured in terms of likelihood (frequency or probability of the risk occurring) and severity/consequence (impact or magnitude of the effect of the risk occurring)

(Adapted from the Australian/New Zealand Standard AS/NZS 4360:1999)

Risk will always be present in the things that we do. The aim of this policy is to ensure that all staff actively understand risk, recognise risk, and know how to report, review, and manage risks to support the overall aims of the organisation. This means that we look at risk at all levels ranging from the risks to delivery of our most strategic aims, through to the day-to-day delivery of team-based objectives which in turn contribute to the bigger picture.

This is demonstrated in the pictorial diagram below: -

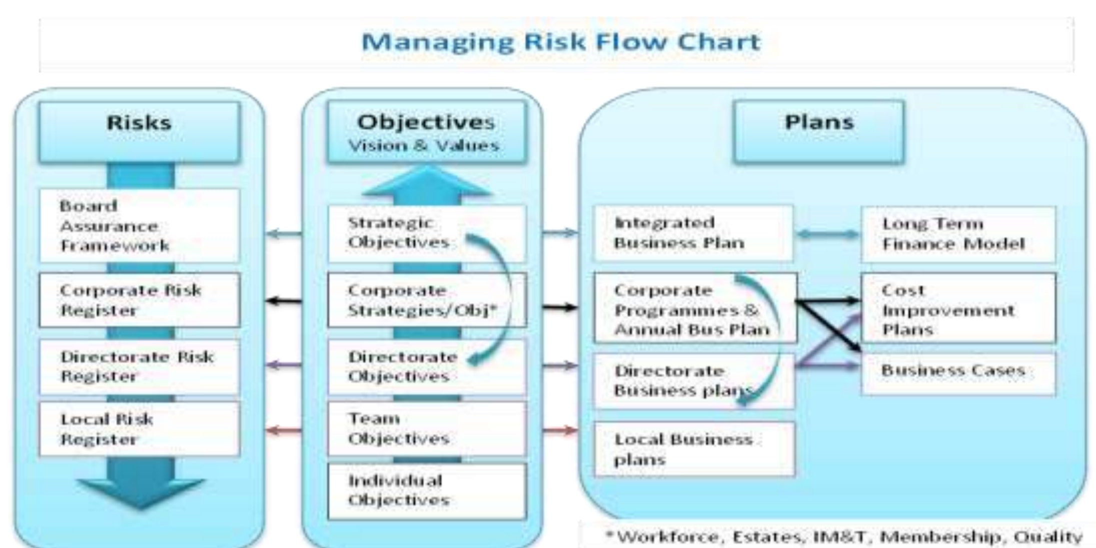


Figure 1 – Managing risks flow chart.

Good risk management is at the heart of everything we do in the Trust. We need to be open, honest, and aware of the risks we are facing on a day-to-day level as well as strategically.

In large complex organisations, managing risk can seem a daunting task. It is, however, inherent in everything that we do, and we manage risk successfully every day. It is not a new challenge and because it forms a part of our everyday work, the key is to manage risk at all levels in a simple, effective, transparent, and consistent way. Hence, the provision of healthcare entails some uncertainty, and that uncertainty brings new opportunities and risks. How we manage existing and emerging risks is important in helping us meet our objectives, improve service delivery, achieve value for money and reduce unwelcome surprises.

This Risk Management Policy provides a clear framework for the effective, proactive and timely management of risks. Sound recording and escalation mechanisms are described for departmental risks, wider locality service area risks and Trust wide risks. The policy also describes the roles and responsibilities of individuals in delivering good risk management as well as the overarching governance structure for reporting of risks.

1.2 Scope

The Policy applies to all staff, Trade Union colleagues, contractors including HMP Birmingham Healthcare staff and persons engaged in business on behalf of the Trust.

The Trust works in partnership with Birmingham Community Healthcare to ensure individuals with learning disabilities have full and equal access to the full range of mental health services. Therefore, all aspects of this policy equally apply to service users with learning disabilities.

1.3 Principles

The Trust's approach recognises:

- The need to ensure that risks are openly discussed and reported within a culture of improvement, honesty, and reality.
- The implementation of the risk management arrangements must be proportionate, timely, dynamic, aligned to the delivery of the Trust`s goals, comprehensive and embedded into business as usual as well as responsive to changes within the Trust`s business environment.
- The need to strike a balance between stability and innovation. In a changing and challenging environment, risk management helps to create and seize opportunities in a managed way e.g. by considering alternative actions to those originally intended. Some risks will always exist and will never be eliminated; all staff must understand the nature of risk and accept responsibility for the management of risks associated within their area of authority.
- The Trust explores an integrated approach to risk management combines a top-down strategic view with a complementary bottom-up operational process.

2 Policy

All staff members are responsible for ensuring that risks are identified, assessed and managed.

All staff are responsible for highlighting identified risks to their manager where they are unable to manage the risk as part of their legitimate role responsibilities.

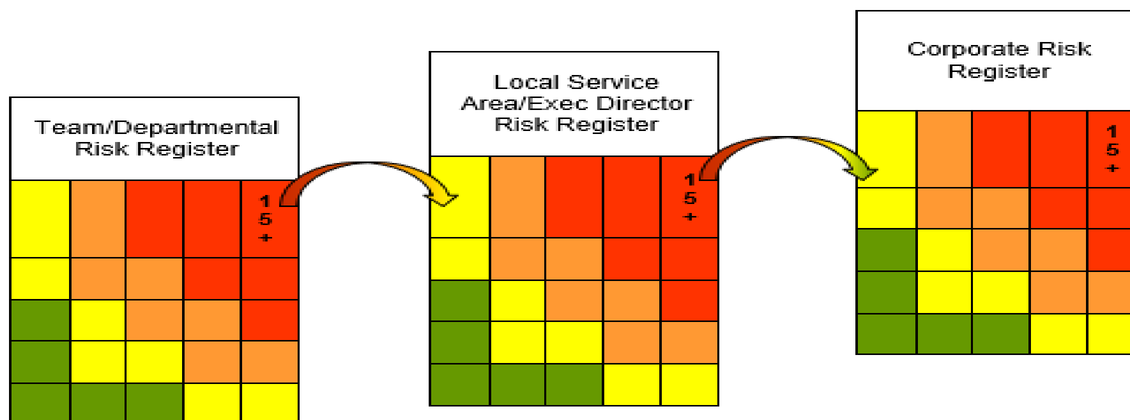
The consequence and likelihood of risk occurrence will be assessed against the Trust wide risk scoring matrix (Appendix 1). Risks will be recorded on risk registers via the Eclipse electronic risk management system.

All local service areas, managers and Executive Directors should systematically review risks on their risk registers on a monthly basis and provide assurance that the risks are being managed through their local governance arrangements. Local service areas and corporate support teams will escalate any risks with a score of 15 or above that have been approved at their local governance meeting, signed off at the Divisional level and by the relevant Executive Director and presented at the RMG for consideration, approval and inclusion onto the CRR, please see section 5 for more details on risk escalation.

Risks which could significantly compromise the delivery of the Trust's corporate objectives/business plan, once approved by the RMG, will be added onto the Corporate Risk Register (CRR). Relevant extracts of the Corporate Risk Register will be presented to the Quality Patient Experience and Safety Committee, People Committee and Finance, Productivity and Performance on a quarterly basis.

Whilst management is responsible for operationalising risk management across the Trust, Board Committees, the Board and related governance arrangements are responsible for providing scrutiny, constructive challenge and oversight. The entire CRR will be presented to the Audit Committee and Board at least once every six months alongside the Board Assurance Framework (BAF).

Figure 2 - Escalation in the Risk Register Hierarchy



BSMHFT`s Risk Management Policy provides a comprehensive framework for staff in all Services and Divisions across the Trust to timely and proactively identify, assess, manage and mitigate any potential risks that could compromise the achievement of their local goals. It thus seeks to foster standardisation, engagement, consistency and galvanise leadership in fostering effective risk management and risk escalation from `Ward to Board`.

3 Procedure

3.1. The Trust's overall approach to risk management is underpinned by 5 key steps:-

- Establish the Context
- Risk Identification

- Risk Analysis
- Risk Assessment/Evaluation
- Risk Control/Treatment

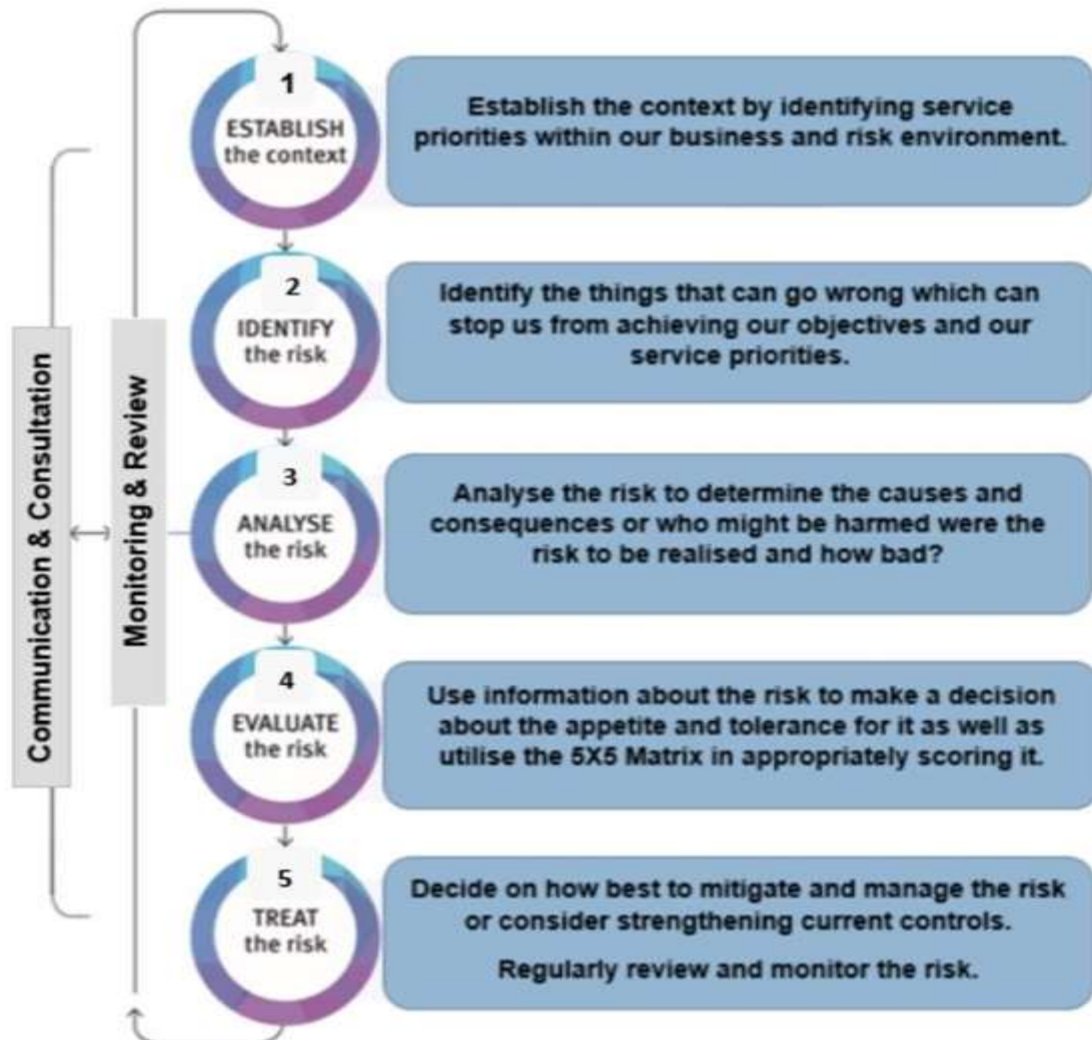


Figure 3: BSMHFT`s approach to risk management - Five steps

3.1.1. Step 1: Establish the context

As the starting point for a robust risk assessment, it important to establish the context by clearly setting out the service objectives and priorities in order to clearly identify risks and opportunities which may impact on their achievement.

3.1.2. Step 2: Risk identification

The identification of risk needs to be dynamic process, which involves all staff and ensures that action is taken before incidents/actual loss or harm have occurred. Risks may be clinical or non-clinical, including financial and reputational. Risks can become apparent from many sources, included but not limited to:

- risk assessment including workplace assessment,
- clinical risk assessment,
- organisational objectives, KPI’s,
- consultation of staff and patients,
- incidents, complaints, and review of litigation cases
- incident or complaint trends
- serious incident recommendations
- Family and Friends Test feedback
- internal inspections and audits,
- infection control,
- safeguarding
- information governance
- Internal audit and internal audit reports
- External sources
- Regulatory standards and inspection feedback (CQC)
- Central Alerting System (CAS),
- Mandatory and statutory targets,
- National enquiry reports
- External audit reports and findings,
- External safeguarding reviews
- Health and Safety Executive (HSE)
- National Survey Results
- NHS Improvement
- NICE
- National Benchmarking Exercises
- National Audit Office,
- National Patient Safety Agency (NPSA),
- Coroner reports
- Failings in other organisations

Any managed change generated within the Trust should be risk assessed before, during and after the change occurs. Significant projects are managed through the Project Management Office where risk & issue logs and Clinical Quality and Equality impact assessments are documented, assessed, and managed by the project teams.

All projects are reviewed by the Strategy and Transformation Board which provides oversight, assurance and governance of all risks and impact assessments relating to the projects.

Staff should adhere to the Trust`s structured approach for describing risks also referred to `Cause and Effect Analysis` or the `Bow-tie` model. This model clearly identifies the event, the cause and the effect. It is helpful to frame the description of a risk into three parts by starting with these phrases:

- **There is a risk of/that/if…** (this relates to not achieving an objective as intended)
- **This may be caused by…**
- T**his may lead to an impact/effect on …**

Risk description must be clear and use concise appropriate language e.g.

- *"There is a risk that patients may not be discharged promptly from the Community Hospital.*

  This may be caused by medications not being dispensed in a timely manner due to delays from pharmacy. This could lead to stress and anxiety, poor patient experience, delayed flow and reduced bed capacity."

Hence the description of a risk must clearly outline the event or objective that relates to or might not be achieved if the risk were to crystallise, what could be the cause(s) and what could be some potential impacts and/or opportunities.

3.1.3. Step 3: Risk analysis

Determine the cause and effect and analyse what could happen, where, when, why and decide who might be harmed and how. Consider how the risk could negatively impact on say patient safety, the quality of clinical care, Workforce, Finance, patient experience for example and then decide what needs to be done.

3.1.4. Step 4: Risk Assessment/Evaluation

Evaluate, assess and quantify the risk by deciding on how bad (consequence) and if the risk were to be realised (likelihood). The NPSA consequence and likelihood descriptors are a useful guide and the 5 x 5 grading matrix in assessing and scoring the risk.

3.1.5. Step 5: Risk Treatment & Prioritisation

Once you have identified and assessed a risk, you will then need to record your findings, identify appropriate controls to reduce the risk and then identify further actions, which can be implemented to reduce the risk and decide who will lead on each of them. Design and implement an action plan or risk treatment plan and decide on how best to manage it.

Hence, a decision should be made as to whether the Trust should avoid, reduce, eliminate, accept/retain or transfer the risk.

- **Avoid**: Whether a particular task can be undertaken a different way so that the risk does not occur.
- **Reduce**: Whether action can be taken to reduce, as far as possible, the probability or impact of the risk exposure.
- **Eliminate**: Whether definitive action can be taken to eliminate the risk exposure.
- **Accept/Retain**: Whether the level of risk is acceptable as no further mitigating actions can be taken, or the extent of actions to be taken

outweighs the consequence of the risk occurring. Risks that are accepted will continue to form part of our review and reporting processes.

- **Transfer**: Whether the risk can be transferred to another organisation

Where further actions are required to avoid, eliminate or reduce the risk, these actions must be entered onto the risk register along with the date by which the action will be implemented and the individual responsible for assuring delivery of the action.

3.2. Risk Review and Monitoring

Risk management is a dynamic and iterative process; hence, risk owners/leads will need to periodically review, re-assess and monitor their risks in line with the following timescales: -

- Risks scored 15 and above should be reviewed at least monthly
- Risks scored 9-12 should be reviewed at least bi-monthly
- Risks scored 1-8 should be reviewed at least quarterly.

3.3. Types of control: Risk control techniques

Controls are measures or interventions that are implemented in order to reduce either the likelihood and/or impact of a risk were it to materialise. The following types of control are frequently used in mitigating and reducing risks: -

a. **Preventive controls** - these controls are designed to limit the possibility of a risk crystallising e.g. regular maintenance of electrical equipment.

b. **Corrective or Response controls** – These controls are designed to correct or in response to undesirable outcomes which have already been realised e.g. contingency planning.

c. **Detective controls** – these controls are designed to detect a risk before it occurs e.g. Medication reconciliation to identify potential risk of medication error or accounts reconciliation to identify potential fraud.

d. **Directive controls** – these are controls that we implement because we are directed by guidelines, regulation or legislation e.g. Requiring new staff to shadow before being allowed to work alone.

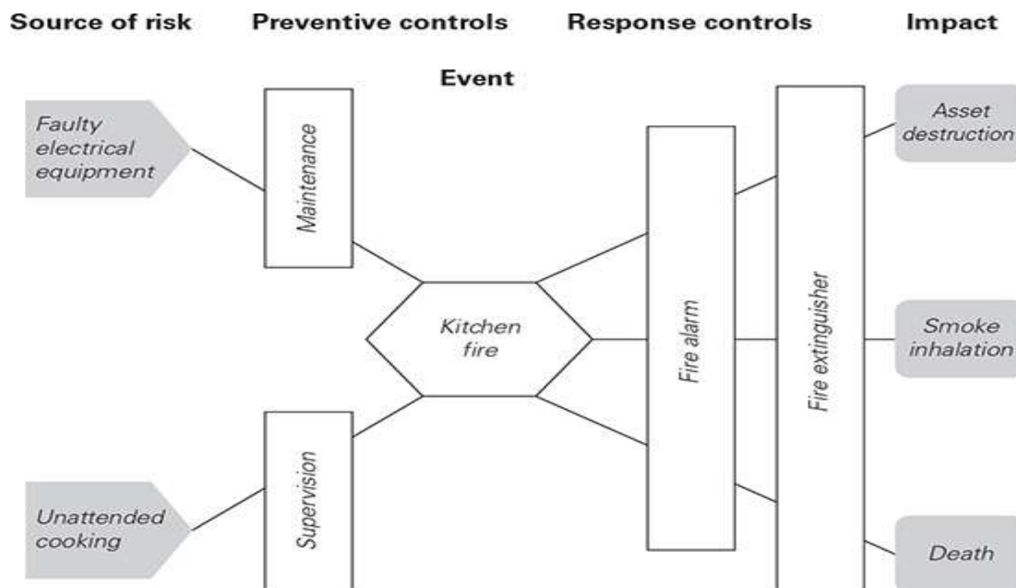


Figure 4. Types of control

3.4. Criteria for escalating risks onto the CRR:

- The risk must be scored 15 and above and must be approved for escalation by the Service, Departmental or local governance meeting and/or management team, supported by the Divisional Governance meeting and/or senior management team and the relevant Exec Director.
- The risk must be appropriately assessment and all fields completed prior to presentation for escalation.
- Once a risk has been approved for escalation by the Divisional Governance meeting and/or management team, the risk Manager and/or AD Corporate Governance should be notified so they could liaise with the Service and/or Division to ensure the risk is appropriately captured on the CRR template and included onto the agenda for the RMG.

3.5. Risk Escalation:

- Timely and dynamic escalation of risks is important for effectively risk management; hence this policy identifies two pathways through which risk could be escalated to the RMG: -
- **Via Governance route**: through appropriate governance meetings as described above.
- **Via management route:** This is expedited escalation in the case where the local governance meeting isn`t due to hold for a few weeks or months, management at the local service once they have reviewed the risk and are satisfied that it has been appropriately described and scored could escalate the risk through their Divisional Senior management team for support and sign-off by the relevant Executive Director for either:-
    a. Presentation and approval at the RMG.

b. Direct inclusion on the CRR, in the case where the RMG isn`t due to hold soon. This is to ensure timely and dynamic escalation of risks; however, such a risk will need to be presented at the earliest RMG for review, scrutiny, noting, learning and minuting.

- If in doubt, services and Divisions are encouraged to contact either the Risk Manager or AD Corporate Governance for support and clarifications.

Managers from the Service escalating the risk and the Division supporting the escalation may be invited to attend the RMG to present the risk. However, if a risk isn`t approved at the RMG following escalation, the RMG will provide advice through the colleague who presented the risk and request for it to be de-escalated to the relevant service for appropriate mitigation and management or for review, amendments, and re-escalation if that is deemed appropriate.

3.6. Board Assurance Framework (BAF)

- The BAF also provides a structured framework for identifying and mapping the main sources of assurance across the Health Board and co-ordinating them to best effect.
- The BAF is a mechanism that should enable the Board to gain assurance that principal risks to the achievement of the Trust`s strategic goals have been identified, assessed and are properly managed in line with best practice. It is thus a robust tool, which the Board uses to reinforce strategic focus and better management of risks and in gaining assurance.
- It thus provides a structure and process through which the Trust could focus on those principal risks which may undermine the achievement of its strategic goals as defined in the Level 1 priorities in its updated Strategy.
- Executive Directors and their ADs are responsible for ensuring that risks within their portfolio captured on the CRR and BAF are timely and regularly updated prior to presentation at the relevant Board Committees.

3.7. Linking the CRR to the BAF

- BSMHFT`s BAF and CRR are maintained distinctively separate, however, both toolkits complement each other and are symbiotically linked; inform, shape and feed-off each other. Both documents are regularly updated, received and scrutinised by relevant committees and the Board as per their cycles of business. The BAF is thus the main tool that the Board uses in discharging its key responsibility of internal controls and gaining assurance that principal risks are managed in accordance with this Risk Management Policy.

3.8. Collaborative and shared Risk Management

- BSMHFT recognises that there will be instances where the effective management of a risk will require input from other colleagues and stakeholders who may not necessarily be part of the service in which the risk has been identified. For example, a service may identify a risk, which requires inputs from Informatics, Estates and Facilities, Safeguarding, Health & Safety etc. to effectively manage it.
- In such a situation, Services etc. should ensure that all key stakeholders who can contribute to the effective management of risks are involved in the discussions on how best to reduce and manage the risks. In other instances, such stakeholders like the Local Authority may be external; hence, there is need for shared agreement and clarity on roles and responsibilities in appropriately reducing and managing such risks.

3.9. Risk Management Training:

- BSMHFT recognises that developing staff capacity and capability in risk management is critical for fostering engagement and embedding its risk management culture.
- The Risk Manager with the support of the AD for Corporate Governance will design and deliver bespoke risk management training which will be available to all staff and managers as well as to contractors delivering services on behalf of BSMHFT.

4. Responsibilities

Staff/Groups	Responsibilities	Ref
All Staff	All staff should be aware of risk assessment findings and risk management measures, which affect their practice and professional needs. They must inform their line managers of risks deemed to be unacceptable and / or outside of their ability to manage. In addition, all staff (permanent and temporary) must • Report incidents/accidents and near misses in a timely manner and in accordance with Incident reporting policies via eclipse • Be aware that they have a duty under legislation to take reasonable care for their own safety and the safety of others who may be affected by the Trust's business. • Comply with all Trust policies and procedures and any other instructions / guidelines to protect the health, safety, and welfare of anyone affected by the Trust's business	

Executive Directors & Trust Board	The Chief Executive maintains overall accountability for risk management within the Trust but will delegate responsibility to nominated Executive Directors of the Trust Board. The Director of Finance (on behalf of the Chief Executive) is the Executive Director responsible for risk management and through the AD for Corporate Governance for co-ordinating the implementation and operationalisation of the Risk Management Policy across the Trust. The Director of Finance has delegated responsibility for internal financial controls and the implementation of financial risk management, procurement, information management systems, information governance, communications, the programme management office, and estates and facilities (managed within the subsidiary organisation SSL). The Medical Director and the Director of Nursing have joint delegated responsibility for clinical risk management and for the effective management of risks within their portfolios. The Director of Operations has overall responsibility for the management and co-ordination of all operational risks including business continuity and emergency planning. The Director of Strategy, People and Partnerships has overall responsibility for risks relating to People, Organisational Development and Capability, Learning and Development, Business and Strategic Planning and Strategic Partnerships.	
Clinical Directors	Clinical Directors are responsible for ensuring that there are robust systems and processes in their Divisions to support the effective identification, assessment, mitigation, monitoring and management of risks. They are responsible for ensuring that risk management and especially high-level operational risks in their Divisions are periodically reviewed and scrutinised at their Divisional Clinical Governance Meetings. Clinical Directors will be responsible for timely reviewing and approving high operational risks scoring 15 and above from their Divisions being put forward for escalation to the RMG prior to their presentation at the RMG.	

Associate Director for Clinical Governance	The Associate Director for Clinical Governance will be responsible for ensuring all clinical and patient safety related risk are appropriately added onto the Trust risk management information system. They will liaise with the Risk Manager and the Associate Director of Corporate Governance in ensuring Services and Divisions escalating risks for consideration for the corporate risk register and/or presenting their risk registers at the Risk Management Group are appropriately supported.	
Associate Director of Corporate Governance	The Associate Director of Corporate Governance has overall responsibility for the Risk Management Policy, operationalisation of risk management Trust-wide and through the Company Secretary for the management of the Board Assurance Framework. They shall also work closely with all Directors in the implementation and delivery of the Trust's agreed approach to Risk Management, and Board Assurance Framework. They shall ensure the provision of effective risk management including risk governance structures and robust systems which assure implementation of the Trust's risk and risk governance objectives through the proactive identification and prioritisation of key organisational and risks from service areas, through to Divisions and ultimately the Board. They shall ensure the development of systems, control process and risk management arrangements that comply with internal and external risk governance and best practice requirements and ensure continuous improvement of the quality of risk information, particularly in the areas of key controls. Lead of the design, development and coordination of the Corporate Risk Register and Board Assurance Framework while ensuring an effective risk management system and process is in place.	
Associate Directors	All Associate Directors have delegated responsibility for the effective management of risks within their portfolios and for ensuring that significant risks to the achievement of their local operational objectives are escalated in line with this Policy. ADs are responsible on behalf of their Executive Directors, for BAF risks that are assigned to their portfolio ensuring they are regularly reviewed,	

	updated and all related actions implemented and evidenced.	
Senior Leaders and Managers (including the Senior Divisional Team).	• Implementing Trust policies, standards, guidelines, and procedures within their area of responsibility and ensuring these are understood by staff. • Ensuring that risk assessments are undertaken liaising with appropriate professionals as appropriate. • Ensuring that an up-to-date record of staff's attendance at, and compliance with, statutory and mandatory training is maintained as per the Risk Management Training Policy. • Implementing and monitoring any identified, and appropriate, control measures to mitigate risk within their scope of responsibility. • Ensuring that identified risks are recorded on the risk register as appropriate within their domain and reported through local governance structures to the Clinical Governance Committee on a quarterly basis. • Overseeing the development and monitoring of an action plan to mitigate identified risks on the risk register. • It is fundamental that risk management is accepted as a line management responsibility. Managers at all levels must adopt this approach, own the process, and act, both proactively and retrospectively, to identify, assess, and manage any risk issues affecting their unit, departments, wards or services.	
Risk Manager	• They are responsible for ensuring the Trust has effective risk management arrangements in place, populating the Trust`s risk management policy, raising the profile, visibility and supporting Services and Divisions across the Trust to embed risk management into business as usual. • Creating space for a risk aware-culture to flourish across the Trust and the provision of risk management-related assurance to the Board and its sub-committees. • Act as an adviser to the Trust on all aspects of risk management and lead on the development of a dynamic, comprehensive, proactive, agile,	

	sustainable Trust-wide risk management infrastructure. • Support local services and Divisions in reviewing and keeping their local risk registers up-to-date and in pulling risk registers for local governance meetings if requested including servicing the RMG. • Designing and delivering the Trust`s risk management training. • Provide admin support to the RMG including, servicing, minuting and ensuring all reports and papers are collated and timely circulated.	
Trust Board	Responsible for: - • overall risk oversight, scrutiny, gaining assurance, setting the tone and culture that underpins the Trust`s risk management approach. • ratifying the Trust's Risk Management Policy including the Risk Appetite Statement. • reviewing the Board Assurance Framework and the Corporate Risk Register.	
Audit Committee	Responsible for: - • reviewing the effectiveness of the system of internal control including assurance that effective arrangements are in place for risk management. • making recommendations to the Board as appropriate regarding its risk management arrangements.	
Quality, Patient Experience and Safety Committee	Responsible for:- • reviewing the Board Assurance Framework and the Corporate Risk Register to ensure that they accurately reflect quality, safety, and patient experience risks and that there are effective controls, assurance and mitigation to manage these.	
Finance, Performance and Productivity Committee	Responsible for: - • reviewing the Board Assurance Framework and the Corporate Risk Register to ensure that they accurately reflect performance, sustainability, financial and governance risks and that there are effective controls, assurance and mitigation to manage these.	

<table>
<tr><td>People Committee</td><td>Responsible for
reviewing the Board Assurance Framework and the Corporate Risk Register to ensure that they accurately reflect workforce related risks and that there are effective controls, assurance and mitigation to manage these.</td><td></td></tr>
<tr><td>Risk Management Group</td><td>Responsible for:-
seeking assurance on the effectiveness of the Trust’s risk management systems
developing and overseeing the implementation of the Risk Management Strategy and Policy.
reviewing and approving risks escalated to it and ensuring that those rated 15 or above are properly recorded in the Corporate Risk Register.
Considering evidence and approving the closure of risks on the Corporate Risk Register.
supporting the Board with the development and maintenance of the Risk Appetite Statement and the CRR.</td><td></td></tr>
<tr><td>Strategy and Transformation Board</td><td>Responsible for: -
providing oversight, assurance and governance of all risks and impact assessments relating to change programmes and projects</td><td></td></tr>
<tr><td>Local management and assurance groups</td><td>Responsible for: -
maintaining risk registers relating to their area of responsibility.
systematically reviewing relevant risks, seeking and providing assurance that they are being managed through their local governance arrangements.
escalating risks with a score of 15 or above through their Divisional meetings to the Risk Management Group.</td><td></td></tr>
</table>

5. Development and consultation process

Consultation summary	
Date policy issued for consultation	July 2023
Number of versions produced for consultation	1
Committees / meetings where policy formally discussed	Date(s)
Staff and reps from Services/Divisions - Workshops	July/August 2023
Local Governance Committees	July/August 2023
ET	3rd July 2023
Risk Management Group	
Audit Committee	13th July 2023 & 12th October 2023.
Board	2nd August 2023 & 4th October 2023

6. Reference documents

Australian/New Zealand Standard AS/NZS 4360:

7. Bibliography

None

8. Glossary

None

9. Audit and assurance

The policies, systems, framework and processes covered by the Risk Management Policy and Strategy and the Board Assurance Framework will be regularly, systematically and independently audited as required by the Audit Committee.

Monitoring implementation of this Risk Management Policy

- BSMHFT will undertake regular Risk Management Self-assessments, annual internal audits, Snapshot Audits and/or an annual health check of its risk management culture using key performance indicators (KPIs) in measuring the effectiveness of risk management arrangements across its services. These will explore a sample of 10 risks randomly selected from each Directorate risk registers and 5-10 from the Corporate Risk Register in measuring the following KPIs as set out on the table below: -

Element to be monitored	Lead	Tool	Frequency	Reporting Committee
1. Compliance	Risk manager & ADCG (BAF)	Annual self-assessment audits	Yearly	RMG, QPES, People C`ttee, FPP, AC & Board.
2. Maturity	Risk manager & ADCG (BAF)	Annual self-assessment audits	Yearly	RMG, QPES, People C`ttee, FPP, AC & Board.
3. Data Quality	Risk manager & ADCG (BAF)	Annual self-assessment audits	Yearly	RMG, QPES, People C`ttee, FPP, AC & Board.

10. Appendices

1 Equality Impact Assessment
2 Risk Management Flow Chart
3 Risk Scoring
4 Risk Thresholds/Risk Level Monitoring
5 Key definitions
6 Risk Appetite Statement

Appendix 1: Equality Impact Assessment

Equality Analysis Screening Form

A word version of this document can be found on the HR support pages on Connect
http://connect/corporate/humanresources/managementsupport/Pages/default.aspx

Title of Proposal	Risk Management Policy		
Person Completing this proposal	Dave Tomlinson	**Role or title**	Director of Finance
Division	Executive Team	**Service Area**	Executive Team
Date Started	June 2023	**Date completed**	June 2023
Main purpose and aims of the proposal and how it fits in with the wider strategic aims and objectives of the organisation.			
This policy is designed to ensure that the Trust has effective systems in place to identify, report, mitigate and assure itself of any risks to the effective delivery of all its strategic priorities. These are: Quality, Sustainability, People and Clinical Services			
Who will benefit from the proposal?			
The robust identification and management of risk will benefit, staff, service users, visitors and partners across all services and sites.			
Does the policy affect service users, employees or the wider community? ***Add any data you have on the groups affected split by Protected characteristic in the boxes below. Highlight how you have used the data to reduce any noted inequalities going forward***			
The Policy will positively affect staff, service users, contractors, visitors etc especially in enhancing their safety.			
Does the policy significantly affect service delivery, business processes or policy? ***How will these reduce inequality?***			
The Policy will reduce inequality especially in outcomes by enabling staff to explore intelligence and qualitative inputs from service users, their families and carers, contractors, and visitors in driving forward, enhancing and embedding the Trust`s safety culture while prioritising investments which could benefit disadvantaged groups thereby contributing to reducing inequality.			
Does it involve a significant commitment of resources? ***How will these reduce inequality?***			

<table>
<tr><td colspan="5">No, implementation of this policy won`t commit any significant resources as it will constitute part of business as usual.</td></tr>
<tr><td colspan="5">Does the policy relate to an area where there are known inequalities? (e.g. seclusion, accessibility, recruitment & progression)</td></tr>
<tr><td colspan="5">No</td></tr>
<tr><td colspan="5">Impacts on different Personal Protected Characteristics – Helpful Questions:</td></tr>
<tr><td colspan="3">Does this proposal promote equality of opportunity?
Eliminate discrimination?
Eliminate harassment?
Eliminate victimisation?</td><td colspan="2">Promote good community relations?
Promote positive attitudes towards disabled people?
Consider more favourable treatment of disabled people?
Promote involvement and consultation?
Protect and promote human rights?</td></tr>
<tr><td colspan="5">Please click in the relevant impact box and include relevant data</td></tr>
<tr><td>Personal Protected Characteristic</td><td>No/Minimal Impact</td><td>Negative Impact</td><td>Positive Impact</td><td>Please list details or evidence of why there might be a positive, negative or no impact on protected characteristics.</td></tr>
<tr><td>Age</td><td>✓</td><td></td><td></td><td>*please refer to note below</td></tr>
<tr><td colspan="5">Including children and people over 65
Is it easy for someone of any age to find out about your service or access your proposal?
Are you able to justify the legal or lawful reasons when your service excludes certain age groups</td></tr>
<tr><td>Disability</td><td>✓</td><td></td><td></td><td>*please refer to note below</td></tr>
<tr><td colspan="5">Including those with physical or sensory impairments, those with learning disabilities and those with mental health issues
Do you currently monitor who has a disability so that you know how well your service is being used by people with a disability?
Are you making reasonable adjustment to meet the needs of the staff, service users, carers and families?</td></tr>
<tr><td>Gender</td><td>✓</td><td></td><td></td><td>*please refer to note below</td></tr>
<tr><td colspan="5">This can include male and female or someone who has completed the gender reassignment process from one sex to another
Do you have flexible working arrangements for either sex?
Is it easier for either men or women to access your proposal?</td></tr>
</table>

Marriage or Civil Partnerships	✓			*please refer to note below
People who are in a Civil Partnerships must be treated equally to married couples on a wide range of legal matters Are the documents and information provided for your service reflecting the appropriate terminology for marriage and civil partnerships?				
Pregnancy or Maternity	✓			*please refer to note below
This includes women having a baby and women just after they have had a baby Does your service accommodate the needs of expectant and post natal mothers both as staff and service users? Can your service treat staff and patients with dignity and respect relation in to pregnancy and maternity?				
Race or Ethnicity	✓			*please refer to note below
Including Gypsy or Roma people, Irish people, those of mixed heritage, asylum seekers and refugees What training does staff have to respond to the cultural needs of different ethnic groups? What arrangements are in place to communicate with people who do not have English as a first language?				
Religion or Belief	✓			*please refer to note below
Including humanists and non-believers Is there easy access to a prayer or quiet room to your service delivery area? When organising events – Do you take necessary steps to make sure that spiritual requirements are met?				
Sexual Orientation	✓			*please refer to note below
Including gay men, lesbians and bisexual people Does your service use visual images that could be people from any background or are the images mainly heterosexual couples? Does staff in your workplace feel comfortable about being 'out' or would office culture make them feel this might not be a good idea?				
Transgender or Gender Reassignment	✓			*please refer to note below
This will include people who are in the process of or in a care pathway changing from one gender to another Have you considered the possible needs of transgender staff and service users in the development of your proposal or service?				
Human Rights	✓			*please refer to note below
Affecting someone's right to Life, Dignity and Respect?				

<table>
<tr><td colspan="5">Caring for other people or protecting them from danger?
The detention of an individual inadvertently or placing someone in a humiliating situation or position?</td></tr>
<tr><td colspan="5">If a negative or disproportionate impact has been identified in any of the key areas would this difference be illegal / unlawful? I.e. Would it be discriminatory under anti-discrimination legislation. (The Equality Act 2010, Human Rights Act 1998)</td></tr>
<tr><td></td><td><s>Yes</s></td><td>No</td><td colspan="2"></td></tr>
<tr><td rowspan="2">What do you consider the level of negative impact to be?</td><td>High Impact</td><td>Medium Impact</td><td>Low Impact</td><td>No Impact</td></tr>
<tr><td></td><td></td><td></td><td>✓</td></tr>
<tr><td colspan="5">If the impact could be discriminatory in law, please contact the Equality and Diversity Lead immediately to determine the next course of action. If the negative impact is high a Full Equality Analysis will be required.

If you are unsure how to answer the above questions, or if you have assessed the impact as medium, please seek further guidance from the Equality and Diversity Lead before proceeding.

If the proposal does not have a negative impact or the impact is considered low, reasonable or justifiable, then please complete the rest of the form below with any required redial actions, and forward to the Equality and Diversity Lead.</td></tr>
<tr><td colspan="5">Action Planning:</td></tr>
<tr><td colspan="5">How could you minimise or remove any negative impact identified even if this is of low significance?</td></tr>
<tr><td colspan="5">Refer to note below</td></tr>
<tr><td colspan="5">How will any impact or planned actions be monitored and reviewed?</td></tr>
<tr><td colspan="5"></td></tr>
<tr><td colspan="5">How will you promote equal opportunity and advance equality by sharing good practice to have a positive impact other people as a result of their personal protected characteristic.</td></tr>
<tr><td colspan="5"></td></tr>
</table>

Please save and keep one copy and then send a copy with a copy of the proposal to the Senior Equality and Diversity Lead at **bsmhft.hr@nhs.net** . The results will then be published on the Trust's website. Please ensure that any resulting actions are incorporated into Divisional or Service planning and monitored on a regular basis.

Note: Whilst the mechanism of risk registration, mitigation and assurance is silent on equality and inclusion, it does offer a vehicle for the recognition and mitigation of specific risks to equality and inclusion. The effective use of risk registers and their reporting and oversight can offer a positive impact in highlighting risks to equality and support specific approaches to close the gaps where these are identified.

Appendix 2a: Definitions of KPIs for monitoring implementation of this Risk Management Policy

- **Compliance:** This will measure whether the Health Board is compliant with its own risk management strategy and policy by evaluating the following components: -

  % of risks which are in date and/or out of date;

  Evidence that services escalating risks in line with this Risk Management Policy.

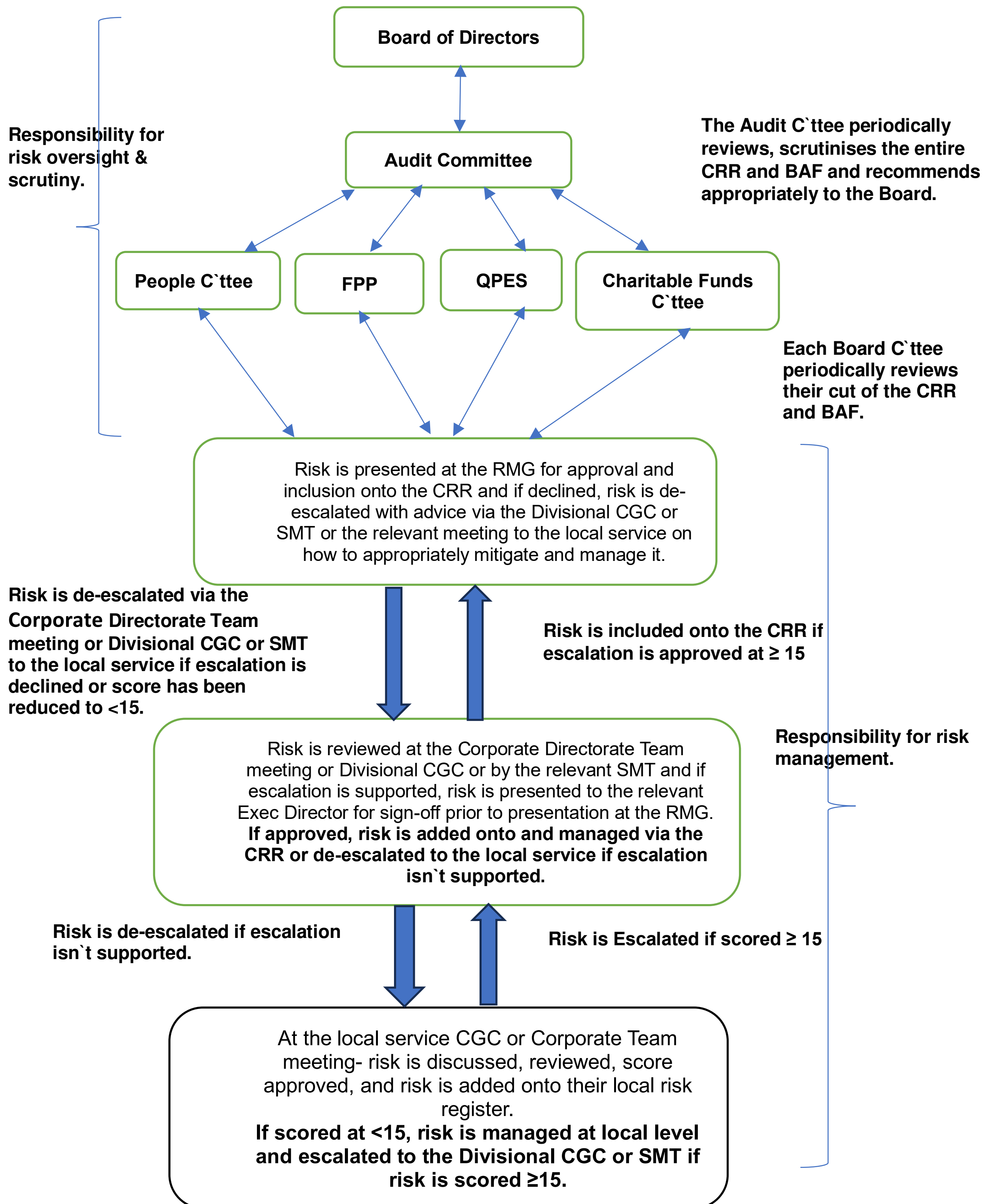
- **Maturity:** This measure will focus on evaluating the completeness of risks on risk registers across the Health Board and will concentrate on the following aspects: -

  % of risks appropriately completed.

- **Data Quality:** This measure will focus on evaluating the accuracy of risk entries e.g. risk description, controls, actions and titles. It will consider: - % of risks which have been appropriately described.

Appendix 2b: Risk Management Flow Chart

BSMHFT Risk Management flow chart - Escalation and de-escalation of risks.



NB: Responsibility for mitigating and managing risks on the CRR lies with the local service which owns the risk as escalation doesn`t exonerate them from this responsibility.

Appendix 3: Risk Scoring

RISK SCORING

The prioritisation and allocation of risk

To ensure that meaningful decisions on the prioritisation and treatment of risks can be made, the Trust will grade all risks using the same tool.

- **The 5 x 5 Risk Scoring Matrix (AS/NZS 4360:1999) will be used to assign risk priority.**

It is essential to have one system for prioritising and rating risks, and this will be used to prioritise risks on the Assurance Framework and Risk Registers, and for rating incidents, complaints, and claims. Risk analysis uses descriptive scales to describe the magnitude of potential consequences and the likelihood that those consequences occur.

Measures of likelihood – likelihood scores (non-financial risks):

Likelihood score	**1**	**2**	**3**	**4**	**5**
Descriptor	**Rare**	**Unlikely**	**Possible**	**Likely**	**Almost Certain**
Frequency	Not expected to occur for years	Expected to occur **at least annually**	Expected to occur **at least monthly**	Expected to occur **at least weekly**	Expected to occur **at least daily**

Measures of Likelihood – likelihood scores (financial risks):

Likelihood score	**1**	**2**	**3**	**4**	**5**
Descriptor	**Rare**	**Unlikely**	**Possible**	**Likely**	**Almost Certain**
Frequency	Not expected to occur in the current or next year	Unlikely to occur during the current or next year	Could easily occur during the current or next year	Will probably occur during the current or next year	Definitely will occur during the current or next year

Measures of Consequence – Domains, consequence and examples of score descriptors

	Consequence Score (severity levels) and examples of descriptors				
	1	**2**	**3**	**4**	**5**
Domains	**Negligible**	**Minor**	**Moderate**	**Major**	**Catastrophic**
Impact on the safety of patients, staff or public (physical / psychological harm)	Minimal injury requiring no or minimal intervention or treatment No time off work required	Minor injury or illness requiring minor intervention Requiring time off work <3days Increase in length of hospital stay by 1-2days	Moderate injury requiring professional intervention Requiring time off work 4-14 days RIDDOR/agency reportable incident An event that impacts on a small number of patients	Major injury leading to long-term incapacity / disability Requiring time off work >14days Increase in length of hospital stay by >15days	Incident leading to death Multiple permanent injuries or irreversible health effects An event which impacts on a large number of patients

	Consequence Score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	**Negligible**	**Minor**	**Moderate**	**Major**	**Catastrophic**
				Mismanagement of patient care with long term effects	
Quality Complaints Audit	Peripheral elements of treatment or service sub-optimal Informal complaint or inquiry	Overall treatment or service sub-optimal Formal complaint (stage 1) Local resolution Single failure to meet internal standards Minor implications for patient safety if unresolved Reduced performance rating if unresolved	Treatment or service has significantly reduced effectiveness Formal complaint (stage 2) Local resolution (with potential to go to independent review) Repeated failure to meet internal standards Major patient safety implications if findings are not acted on	Non-compliance with national standards with significant risk to patients if not resolved Multiple complaints / independent review Low performance rating Critical report	Incident leading to totally unacceptable level or quality of treatment or service Gross failure of patient safety if findings not acted on Inquest / Ombudsman inquiry Gross failure to meet national standards
Human Resources / Organisational Development / Staffing / Competence	Short-term low staffing level that temporarily reduces service quality (<1 day)	Low staffing level that reduces service quality	Late delivery of key objective / service due to lack of staff Unsafe staffing level or competence (>1day) Low staff morale Poor staff attendance for mandatory / key training	Uncertain delivery of key objectives / service due to lack of staff Unsafe staffing levels or competence	Non-delivery of key objectives due to lack of staff On-going unsafe staffing levels or competence Loss of several key staff No staff attending mandatory training / key training on an ongoing basis
Statutory duty / Inspections	No or minimal impact or breech of guidance / statutory duty	Breech of statutory legislation Reduced performance rating if unresolved	Single breech in statutory duty Challenging external recommendations / improvement notice	Enforcement action Multiple breeches in statutory duty Improvement notices Low performance rating Critical report	Multiple breeches in statutory duty Prosecution Complete systems change required Zero performance rating Severely critical report
Adverse publicity / Reputation	Rumours Potential for public concern	Local media coverage – short term reduction in public confidence Elements of public	Local media coverage – long-term reduction in public confidence	National media coverage with <3 days service well below reasonable	National media coverage with >3days service well below reasonable public expectation. MP

	Consequence Score (severity levels) and examples of descriptors				
	1	**2**	**3**	**4**	**5**
Domains	**Negligible**	**Minor**	**Moderate**	**Major**	**Catastrophic**
		expectation not being met		public expectation	concerned (questions in the House) Total loss of public confidence
Business objectives / projects	Insignificant cost increase / schedule slippage	<5% over project budget Schedule slippage	<5-10% over project budget Schedule slippage	Non-compliance with national 10-25% over budget project Schedule slippage Key objectives not met	Incident leading >25% over project budget Schedule slippage Key objectives not met
Finance – including claims	Non delivery/Loss of budget to value of <£10K	Non delivery/Loss of budget between £10K and £100K	Non-delivery/Loss of budget between £100K and £500K	Non delivery/Loss of budget between £500K and £2M	Non-delivery/Loss of Budget of more than £2M
Service / Business interruption **Environmental impact**	Loss / interruption of >1hour Minimal or no impact on environment	Loss / interruption of >8hours Minot impact on environment	Loss / interruption of >1day Moderate impact on environment	Loss / interruption of >1week Major impact on environment	Permanent loss of service or facility Catastrophic impact on environment

Measures of Consequence – Additional guidance and examples relating to risks impacting on the safety of patients, staff or public.

	Consequence Score (severity levels) and examples of descriptors				
	1	**2**	**3**	**4**	**5**
Domains	**Negligible**	**Minor**	**Moderate**	**Major**	**Catastrophic**
Additional examples	Incorrect medication dispensed but not taken Incident resulting in a bruise or graze Delay in routine transport for patient	Wrong drug or dosage administered, with no adverse side effects Physical attach such as pushing, shoving or pinching causing minor injury Self-harm resulting in minor injuries Grade 1 pressure ulcer Laceration, sprain, anxiety requiring occupational health counselling – no time off work required	Wrong drug or dosage administered with potential adverse side effects Physical attack causing moderate injury Self-harm requiring medical attention Grade 2-3 pressure ulcer Healthcare-acquired infection (HCAI) Incorrect or inadequate information / communication on transfer of care Vehicle carrying patient involved in road traffic accident Slip / fall resulting in injury such as sprain	Wrong drug or dosage administered with adverse side effects Physical attack causing serious injury Grade 4 pressure ulcer Long-term HCAI Slip / fall resulting in injury such as dislocation, fracture, blow to the head Loss of limb Post-traumatic stress disorder	Unexpected death Suicide of a patient known to the services within last 12 months Homicide committed by a mental health patient Large-scale cervical screening errors Incident leading to paralysis Incident leading to long-term mental health problem Rape / serious sexual assault

5 x 5 Risk Scoring Matrix (AS/NZS 4360:1999)

	Almost Certain	5 Yellow	10 Yellow	15 Red	20 Red	25 Red
	Likely	4 Yellow	8 Amber	12 Amber	16 Red	20 Red
	Possible	3 Green	6 Yellow	9 Amber	12 Amber	15 Red
	Unlikely	2 Green	4 Yellow	6 Yellow	8 Amber	10 Amber
	Rare	1 Green	2 Green	3 Green	4 Yellow	5 Yellow
		Insignificant	Minor	Moderate	Major	Catastrophic
		CONSEQUENCE				

Appendix 4: Risk Thresholds/Risk Level Monitoring

RISK THRESHOLDS / RISK LEVEL MONITORING

Level of Risk	Risk Scores	Determination of Level, monitoring of Action Plans and acceptability of risk to the Trust	Monitoring Process
Red	All risks rated 15 + (post moderation) Unacceptable level of risk exposure which requires immediate corrective action to be taken	Unacceptable risk Approved by the RMG. Action Plans approved by relevant Executive Director and RMG.	Oversight by Risk Management Working Group QPES, FPP and People Committee level monitoring of these risks QPES, FPP and People Committee to advise Board on ways of managing high risks that cannot be addressed within existing resources.
Amber	All risks rated 12+ Unacceptable level of risk exposure which requires constant active monitoring, and measures to be put in place to reduce exposure	Unacceptable risk Risk scores approved by local Service and Divisional clinical governance Committees. Level determined by **Executive Director.** Action Plans managed by senior managers. Progress updates via Divisional Leads.	Included on the Risk Register and reported to local Service and Divisional Clinical Governance Committee. Action plans monitored by Executive Director.
Yellow	All risks rated 4- 10	Level determined by the **Service Manager.** Action Plans managed locally by named managers on behalf of the Director.	• Action Plans monitored by Directors Management team.
Green	All risks rated 1 - 4		

Appendix 5: Key definitions

KEY DEFINITIONS

Risk Description		There are 3 main components will need to be considered when articulating the risk description (cause, event and effect):
		- There is a risk of…if ….
		- This may be caused by ….
		- Which could lead to an impact / effect on ……
Risk Rating	Inherent	This is the score of a risk without taking into consideration any controls which may be in place to mitigate it. This is also referred to as gross risk, initial risk, uncontrolled risk or absolute risk.
	Current	This is the score of the risk taking into consideration the controls and mitigation measures in place. This is also referred to as net risk, residual risk, current risk, or managed level of risk.
	Target	This is the level of risk one would expect to reach once all controls and key mitigation measures are in place and actions have been completed.
Risk Impact		The consequence (or how bad) if the risk was to be realised, in line with the NPSA Grading Matrix an impact of 1 is a Negligible (very low), with a 5 as Catastrophic (very high).
Risk Likelihood		The probability if the risk were to be realised. In line with the NPSA Grading Matrix a likelihood of 1 is `rare` which denotes it will probably never happen, with a 5 being `almost certain` which indicates that it will undoubtedly or possibly happen.
Risk Score		Risk score is derived by multiplying the Impact by Likelihood.
Risk Appetite	Definition	Is defined as the amount and level of risk that the Trust is willing to pursue or accept in order to achieve its priorities.
Controls or risk mitigations	Definition	These are measures/interventions implemented by the Trust to reduce either the likelihood of a risk and/or the impact were it to be realised. Controls could include strategies, policies, procedures, systems, SOPs, Checklists etc being implemented to reduce either the likelihood and/or impact of the risk were it to crystallise. A control is also a measure that maintains and/or modifies risk (ISO 31000:2018(en).
Three Lines of Defence Model	1st Line of Defence	The first Line of defence refers to the service or function that owns, mitigates and manages the risk on a day-to-day basis.
	2nd Line of Defence	This refers to other functions in the in the Trust which oversee compliance or risk management e.g. HR, Risk Management team etc.
	3rd Line of Defence	This refers to functions in the trust which provide objective and independent assurance and may include Internal Audits, External Audits etc.

Appendix 6: Risk Appetite Statement

RISK APPETITE STATEMENT

Risk appetite provides a framework which enables an organisation to make informed management decisions. By defining both optimal and tolerable positions, an organisation clearly sets out both the target and acceptable position in the pursuit of its strategic objectives. The benefits of adopting a risk appetite include:

- Supporting informed decision-making
- Reducing uncertainty
- Improving consistency across governance mechanisms and decision-making;
- Supporting performance improvement
- Focusing on priority areas within an organisation
- Informing spending review and resource prioritisation processes.

BSMHFT Risk Appetite Framework

Risk Type	Statement	Risk appetite category	Target risk score range
Quality & Safety	Our preference is for risk avoidance. However, if necessary, we will take decisions on quality and safety where there is a low degree of inherent risk and the possibility of improved outcomes, and appropriate controls are in place.	Cautious	6 - 8
Reputational	Appetite for risk taking limited to those events where there is no chance of any significant repercussion for the organisation.	Minimal	2 - 4
People	Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust rather than close control.	Eager	12
Finance	Prepared to invest for benefit and to minimise the possibility of financial loss by managing the risks to tolerable levels.	Open	9 – 10
Regulatory	We are prepared to accept the possibility of limited regulatory challenge. We would seek to understand where similar actions had been successful elsewhere before taking any decision.	Cautious	6 - 8
Strategy	Guiding principles or rules in place that are receptive to considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 2-3year intervals.	Open	9 – 10
Operations	Innovation supported, with clear demonstration of benefit / improvement in management control. Responsibility for non-critical decisions may be devolved.	Open	9 – 10

Data and Information Management	Accept need for operational effectiveness in distribution and information sharing.	**Open**	**9 - 10**
Governance & Legal	Willing to consider low risk actions which support delivery of priorities and objectives. Processes, and oversight / monitoring arrangements enable limited risk taking. Organisational controls maximise fraud prevention, detection and deterrence through robust controls and sanctions.	**Minimal**	**2 - 4**
Digitalisation/ Technology	Systems / technology developments considered to enable improved delivery. Agile principles may be followed.	**Open**	**9 – 10**
Transformation/ Projects and Quality Improvement	Innovation supported, with demonstration of commensurate improvements in management control. Responsibility for noncritical decisions may be devolved. Plans aligned with functional standards and organisational governance.	**Open**	**9 – 10**
Security	Risk of loss or damage to Trust property, assets, information, Staff, Patients or the public. Stringent measures in place, including: • DBS checks where applicable. • Staff vetting maintained at highest appropriate level. • Controls limiting staff and visitor access to information, assets and estate. • Access to staff personal devices restricted for official tasks etc.	**Minimal**	**2 - 4**
Property & Environment	Consider benefits of agreed environmental-friendly actions and solutions for purchase, rental, disposal, construction, and refurbishment that meeting organisational requirements.	**Open**	**9 – 10**
Commercial	Innovation supported, with demonstration of benefit / improvement in service delivery. Responsibility for non-critical decisions may be devolved.	**Open**	**9 – 10**
Partnerships & Provider Collaboratives	Receptive to taking difficult decisions to support the achievement of the Partnership or Provider Collaborative when benefits outweigh risks. Processes, oversight / monitoring and scrutiny arrangements in place to enable considered risk taking.	**Open**	**9 – 10**