Risk Management Procedure

<table>
<thead>
<tr>
<th>Procedure Author:</th>
<th>Risk and Assurance Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedure Reference Number:</td>
<td>RM005A</td>
</tr>
<tr>
<td>Version:</td>
<td>3</td>
</tr>
<tr>
<td>Date Ratified:</td>
<td>February 2020</td>
</tr>
<tr>
<td>Expiry Date:</td>
<td>February 2021</td>
</tr>
</tbody>
</table>

Procedure Statement/Key Objective:

To describe and direct staff to accurately develop a risk assessment and manage that record in accordance with the Trust Risk Management Policy.
## Summary

<table>
<thead>
<tr>
<th>Title of Procedure:</th>
<th>Risk Management Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicable to:</td>
<td>All networks, services and staff groups</td>
</tr>
</tbody>
</table>
| People / Groups Consulted: | Head of Effectiveness  
                           | Senior Risk and Assurance Manager |
| Name of Governance group responsible for approving and monitoring implementation | Approved by Associate Director of Effectiveness |
| Name of Linked Sub-Committee | Corporate Governance and Compliance |
| To be read in conjunction with: | Risk Management Policy |
## MCA Compliance Form

<table>
<thead>
<tr>
<th>Please complete the questions below:</th>
<th>Yes/No/Unsure</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the procedure relate to Clinical practice?</td>
<td>☐ Yes ☒ No</td>
<td></td>
</tr>
<tr>
<td>Does the procedure refer all users to the MCA policy?</td>
<td>☐ Yes ☒ No</td>
<td></td>
</tr>
<tr>
<td><strong>MCA Policy and Obtaining Authorisation for Deprivation of Liberty</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the procedure refer to any form of consent to treatment?</td>
<td>☐ Yes ☒ No</td>
<td></td>
</tr>
<tr>
<td>Does the procedure stipulate a specific method of consent is required?</td>
<td>☐ Yes ☒ No</td>
<td></td>
</tr>
<tr>
<td>Does the procedure exclude service users unable to consent?</td>
<td>☐ Yes ☒ No</td>
<td></td>
</tr>
<tr>
<td>Does the procedure require staff to use any form of restraint / restrictive practice?</td>
<td>☐ Yes ☒ No</td>
<td></td>
</tr>
</tbody>
</table>
# Table of Contents

## Contents

1.0 Introduction and Purpose ................................................................. 5  
2.0 Scope.................................................................................................... 5  
3.0 Definitions.......................................................................................... 5  
4.0 Risk Management Process .................................................................. 8  
  4.3 Identification and recording of risks .................................................. 11  
  4.6 Board Assurance Framework (BAF) .................................................. 13  
  4.9 Analysing and assessing risks .......................................................... 16  
  4.15 Risk Escalation ................................................................................. 19  
  4.16 Controls and Mitigation (Action Planning) ...................................... 20  
  4.21 Risk Surveillance .............................................................................. 23  
  4.22 Datix Risk Management System ....................................................... 23  
  4.23 Risk Appetite .................................................................................... 24  
  4.24 Assurance of risk management ....................................................... 24  
  4.26 Risk Management Training and Support ......................................... 26  
  4.27 Risk and Assurance Toolkit ............................................................. 26  
  4.28 Associated Documents .................................................................. 26  
5.0 Monitoring .......................................................................................... 33  
6.0 References/Further Guidance ............................................................... 33
1.0 **Introduction and Purpose**
To describe and direct staff to accurately develop a risk assessment and manage that record in accordance with the Trust [RM005 Risk Management Policy](#).

2.0 **Scope**
This procedure applies to all staff employed by the Trust with risk management responsibilities.

3.0 **Definitions**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action</td>
<td>A response to control or mitigate risk</td>
</tr>
<tr>
<td>Action Owner</td>
<td>The individual manager or clinician responsible for ensuring the mitigating actions is completed within the agreed deadline</td>
</tr>
<tr>
<td>Action Plan</td>
<td>A collection of actions that are: specific, measurable, achievable, realistic and targeted</td>
</tr>
<tr>
<td>Adverse Incident</td>
<td>Any event or circumstances leading to unintended harm and/or suffering which results in admission to hospital, prolonged hospital stay, or significantly disability at discharge or death</td>
</tr>
<tr>
<td>Assessment</td>
<td>A review of evidence leading to the formulation of an opinion</td>
</tr>
<tr>
<td>Assurance</td>
<td>Confidence based on sufficient evidence, that internal controls are in place, operating effectively and objectives are being achieved</td>
</tr>
<tr>
<td>Board Assurance Framework (BAF)</td>
<td>The Board Assurance Framework (BAF) is a statutory requirement and is a management tool that provides the Board of Directors with evidence that effective controls and assurances are in place to manage the key risks associated with achieving its principal strategic objectives</td>
</tr>
<tr>
<td>Complaint</td>
<td>Action taken by a patient/ client of a healthcare facility, or his or her agent, to communicate dissatisfaction or concern about any aspect of care/treatment or experience during a stay or visit</td>
</tr>
<tr>
<td>Compliance</td>
<td>Act in accordance with requirements</td>
</tr>
<tr>
<td>Consequence</td>
<td>A measure of impact that the predicted harm, loss or damage would have on the people, property or objectives affected</td>
</tr>
<tr>
<td>Contingency Plan</td>
<td>The action(s) to be taken if the risk occurs</td>
</tr>
<tr>
<td>Control</td>
<td>The control of risk involves taking steps to reduce the risk from occurring such as application to policies or procedures. Also known as risk controls or control measures</td>
</tr>
<tr>
<td>Corporate Governance</td>
<td>The system by which the Board of Directors direct and control organisations in order to achieve their objectives</td>
</tr>
<tr>
<td>Cost</td>
<td>Activities, both direct and indirect, which result in a negative outcome or impact for an individual or the organisation – cost includes money, time, labour, disruption, goodwill, political and in tangible losses</td>
</tr>
<tr>
<td>Cumulative Risk</td>
<td>The risk involved in several related activities that may have low impact or be unlikely to happen individually, but which taken together may have significant impact and or be more likely to happen; for example the cumulative impact of cost improvement programmes</td>
</tr>
<tr>
<td>Current Risk Rating</td>
<td>The risk is still present after controls, actions or contingency plans have been put in place</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Decision Right Framework</td>
<td>The Decision Right Framework clearly defines allocated responsibilities for making and approving decisions relating to Trust business</td>
</tr>
<tr>
<td>Escalation</td>
<td>Referring a concern to the next appropriate management level for resolution, action or attention</td>
</tr>
<tr>
<td>Evidence</td>
<td>Information that allows a conclusion to be reached</td>
</tr>
<tr>
<td>External Audit</td>
<td>An organisation appointed to fulfil the statutory functions in relation to providing an option on the annual accounts of the Trust</td>
</tr>
<tr>
<td>Gap in Assurance</td>
<td>Failure to gain sufficient evidence that policies, procedures, practices or organisational structures on which reliance is placed are operating effectively</td>
</tr>
<tr>
<td>Gap in Control</td>
<td>Failure to put in place sufficient effective policies, procedures, practices or organisational structures to manage risk and achieve objectives</td>
</tr>
<tr>
<td>Frequency</td>
<td>A measure of rate of occurrence of an event</td>
</tr>
<tr>
<td>Hazard</td>
<td>Anything that has the potential to cause injury, loss, damage or harm</td>
</tr>
<tr>
<td>Impact</td>
<td>The result of a threat or an opportunity</td>
</tr>
<tr>
<td>Incident</td>
<td>Any unplanned event or circumstance resulting in, or having a potential to cause loss</td>
</tr>
<tr>
<td>Information</td>
<td>Knowledge that is gathered as a result of processing data</td>
</tr>
<tr>
<td>Internal Audit</td>
<td>The team responsible for evaluating and forming an opinion of the robustness of the system on internal control</td>
</tr>
<tr>
<td>Internal Control</td>
<td>A scheme of checks used to ensure that systems and processes operate as intended and in doing so mitigate risks to the organisation</td>
</tr>
<tr>
<td>Inherent Risk</td>
<td>The level of risk involved in an activity before controls are applied</td>
</tr>
<tr>
<td>Initial Risk</td>
<td>The score on identification before any controls are added</td>
</tr>
<tr>
<td>Integrated Risk Management</td>
<td>A process through which organisations identify, assess, analyse and manage all risk and incidents for every level of the organisation and aggregate the results at a corporate level, for example patient safety, health and safety, complaints, litigation and other risks</td>
</tr>
<tr>
<td>Key Risk/ Key Control</td>
<td>Risks and controls relating to strategic objectives</td>
</tr>
<tr>
<td>Likelihood</td>
<td>A qualitative measure/ description of probability or frequency that the predicted harm, loss or damage will occur</td>
</tr>
<tr>
<td>Mitigation</td>
<td>Actions taken to reduce the risk or the negative impact of the risk</td>
</tr>
<tr>
<td>Mitigating Actions</td>
<td>Additional controls to be implemented to bring the current risk rating to the target risk rating – when fully implemented mitigating actions become risk controls</td>
</tr>
<tr>
<td>Near Miss</td>
<td>A situation in which an event or omission, or a sequence of events or omissions, arising during clinical care fails to develop further, whether or not as the result of compensating action, thus preventing injury to patient</td>
</tr>
<tr>
<td>Policy</td>
<td>A document setting out the corporate plans for achieving a strategy</td>
</tr>
<tr>
<td>Probability</td>
<td>The likelihood of specific event or outcome occurring. This is measured by the ratio of specific events or outcomes to the total number of possible event outcomes to the total number of possible event or outcomes. Probability is expressed along a scale ranging from rare to almost certain</td>
</tr>
<tr>
<td>Quality</td>
<td>Treatment and care that is safe, effective and provides positive patient experience</td>
</tr>
<tr>
<td>Reassurance</td>
<td>The process of telling others that risks are controlled without providing reliable evidence in support of this assertion</td>
</tr>
<tr>
<td>Risk</td>
<td>The chance of something happening that will have an impact upon objectives. It is measured in terms of consequence and likelihood</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Risk Appetite</td>
<td>An informed decision taken by the Trust Board to accept the identified consequence and likelihood of a particular risk or group of risks</td>
</tr>
<tr>
<td>Risk Analysis</td>
<td>A systematic use of available information to determine how often specified events might occur and the magnitude of their impact</td>
</tr>
<tr>
<td>Risk Assessment</td>
<td>The process by which hazards are identified and the risk rated</td>
</tr>
<tr>
<td>Risk Capacity</td>
<td>The maximum level of risk to which the organisation should be exposed, having regard to the financial and other resources available</td>
</tr>
<tr>
<td>Risk Evaluation</td>
<td>The process used to determine risk management priorities by comparing the level of risk against predetermined standards, target risk levels and other criteria</td>
</tr>
<tr>
<td>Risk Identification</td>
<td>The process of determining what can happen, why and how</td>
</tr>
<tr>
<td>Risk Management</td>
<td>The culture, processes and structures that are directed towards the effective management of potential opportunities and/or adverse effects</td>
</tr>
<tr>
<td>Risk Management System</td>
<td>Systematic application of management policies, procedures and practices to the tasks of establishing the context of risk and then, identifying, analysing, evaluation, treating, monitoring and communicating risk</td>
</tr>
<tr>
<td>Risk Matrix</td>
<td>The tool that is sued to ‘score’ each risk and determine its place on the Trust’ Risk Register</td>
</tr>
<tr>
<td>Risk Maturity</td>
<td>The quality of the Risk Management Framework</td>
</tr>
<tr>
<td>Risk Owner</td>
<td>The person responsible for the management, control and updating the Risk Register of all aspects of individual risks. This is not necessarily the same as the action owner, as actions may be delegated</td>
</tr>
<tr>
<td>Risk Profile</td>
<td>The overall exposure of the organisation or part of the organisation to risk</td>
</tr>
<tr>
<td>Risk Rating</td>
<td>The total risk score worked out by multiplying the consequence and likelihood scores on the risk matrix</td>
</tr>
<tr>
<td>Risk Register</td>
<td>A central log of all risks (operational and strategic) that threaten the Trusts' success in delivering its services or achieving its objectives</td>
</tr>
<tr>
<td>Risk Reduction</td>
<td>The application of appropriate techniques and management principles to reduce either the likelihood or an occurrence or its consequence or both</td>
</tr>
<tr>
<td>Risk Surveillance</td>
<td>A process consisting of reviewing risks recorded in the Risk Management System to ensure risks meet the requirement of the Risk Management Policy and risk analysis and theming to identify trends and support risk reporting</td>
</tr>
<tr>
<td>Risk Tolerance</td>
<td>The boundaries of risk-taking outside that the organisation is not prepared to go beyond</td>
</tr>
<tr>
<td>Risk Transfer</td>
<td>Shifting the responsibility of burden for loss to another party through legislation, contract, insurance or other means. Risk transfers can also refer to shifting a physical risk or part thereof elsewhere</td>
</tr>
<tr>
<td>Risk Treatment Plan</td>
<td>The collective term for the programme of mitigating actions being implemented to being the risk rating to the acceptable risk rating</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>Those people and organisations who may affect, be affected by or perceive themselves to be affected by, a decision, action or activity</td>
</tr>
<tr>
<td>System Failure</td>
<td>A non-compliance with, malfunction of or deviation from a defined management system. A system failure may also be defined as inadequate performance, non-participation in or non-application of a defined management system of process</td>
</tr>
<tr>
<td>Target Risk Rating</td>
<td>An acceptable risk rating (also known as the target risk rating or residual risk) is one which the Trust is comfortable in facing and which, if the worst happened, would not threaten the capability to meet Trust objectives. Specific authorisation levels are detailed in the Risk Management Policy to approve acceptable risk ratings</td>
</tr>
</tbody>
</table>
4.0 Risk Management Process

Risk management is recognised as an integral part of good management practice. It is a learning process consisting of steps which, when undertaken in sequence can enable continual improvement in decision making.

The following figure shows how risk management involves the identification, analysis, evaluation and treatment of risks or more specifically recognises which events may lead to harm and therefore minimising the likelihood and consequences of these risks occurring.

![Figure 1: Risk Management Process](image)

The Trust will maintain a comprehensive Risk Register that is capable of recording operational and strategic risks.

The Risk Register will:
- Use a common sense approach to identifying and evaluating risk
- Ensure risk are regularly reviewed and have identified controls, assurances and mitigating actions.

Every risk within the Risk Register will be allocated to a Network or Support Service and where appropriate, this may be further allocated to a business unit, department, service or team.

Every risk within the Risk Register will be allocated a Risk Owner. The risk owner is responsible for ensuring the risk is being actively managed and the Risk Register entry is up to date. This will normally be the manager of the area affected by the risk, but it could be a more senior manager or specialist as appropriate to the risk.

Risks contained on the Risk Register that are scored 15 and above are defined as strategic risks. Strategic risks are significant operational risks to the Trust, which is reported to Committees and Sub-Committees within the governance structure.

In addition to the Risk Register, the Trust will maintain a Board Assurance Framework (BAF) which sets out the strategic risks to achieving the Trusts’ objectives and strategic priorities. The BAF is refreshed annually as part of the Trusts’ strategic planning process.
4.2 Risk Assessment
A risk assessment seeks to answer four simple, related questions:

**Figure 2: Risk Assessment: Four Simple Questions**

In risk assessment we look at:

**Hazards:** Which are "situations with the potential to cause harm", and

**Risks:** Which are defined as "the probability that a specific adverse event will occur in a specific time period or as a result of a specific situation"

A risk is the combination of likelihood and consequence of a hazard being realised.

A clinical risk or healthcare risk is the chance of an adverse outcome resulting from clinical investigation, treatment or patient care. For more information regarding the Trusts' please refer to: **CL028A: Procedure for the Assessment and Management of Clinical Risks**.

For each hazard identified, it is important to decide whether it is significant and whether appropriate and sufficient controls or contingencies are in place to ensure that the risk is properly controlled.

It is the duty of Lancashire & South Cumbria NHS Foundation Trust (LSCFT) to comply with the requirements of the Health & Safety at Work Act 1974 and the Management of Health & Safety Regulations 1999 (as amended) and any other associated legislation to ensure the continued health, safety and welfare (so far as is reasonably practicable) of its employee, patients, people who use our services, contractors and members of the public. Please refer to: **HS003: Health and Safety Policy**.
Five steps to risk assessment

**Step 1: Risk Identification (hazard and likelihood: what could go wrong)**
To prevent harm, loss, or damage, it is important to understand not only what it is likely to go wrong but also how and why it may go wrong. Take into account things that have gone wrong in the past and near-miss incidents. It is paramount we learn from the past.

- What is the actual risk/ hazard or threat?
- How could it occur?

**Step 2: Potential Consequences (who might be harmed and how?)**
Decide who might be harmed and how.

- What could happen?
- Who or what could be affected?
- How people, services/systems, or assets could be affected if the risk is realised?

**Step 3: Evaluate the risk and decide on the controls (how bad? how often? is there a need for further action?)**
Consider both consequence (how bad?) and likelihood (how often?). Is there a need for additional action? The law requires everyone providing a service to do everything reasonably practicable to protect everyone associated with the risk from harm.

- Use the Trusts’ risk matrix to accurately score the risk
- Decide on the key controls already in place that will most effectively reduce consequence and/or likelihood (controls in place to manage the risk)
- Identify the gaps in controls that are not yet in place which will help to reduce consequence and/or likelihood (these could be linked to the action plan)
- Identify the assurances in place, these are sources of evidence that the risk is being managed effectively
- Identify the gaps in assurances, these are the lack of evidence that the current controls are effective (these could be linked to the action plan)

**Step 4: Risk Recording, Action Plans and Identification of Risk Owner**
Following the risk assessment process, these findings along with action planning must be documented on the Risk Register. This is easy; dependant if the assessment is well-recorded and the logic behind the decisions are transparent.

- Complete the Risk Register form on the Datix Risk Management Module
- Ensure the Risk Register form is accurate and fully completed
- Ensure actions are recorded and allocated to action owners
- Identify and notify an appropriate risk owner

**Step 5: Review and update**
Good documentation is important because things are always changing. The risk entered onto the Datix Risk Management Module should provide a full narrative of the risk journey from date the risk was opened to the date the risk was closed.

- Review the risk in accordance with the timescales outlined further in this document
- Ensure controls and assurances are reasonable and relevant
- All actions set to mitigate the risk must be realistic, sustainable and effective
- Strong narratives to support the risk management
4.3 Identification and recording of risks
The purpose of completing a risk identification exercise is to identify, discuss and document the risks facing the organisation. These risk identification guidelines aim to assist in ensuring that the Trust manages risk effectively and efficiently.

Risk identification is defined as “the process of determining what, where, when, why and how something could happen.”

Risk identification is a deliberate and systematic effort to understand and document all of the key risks facing the organisation. The objective of risk identification is to generate a comprehensive list of risks based on those events and circumstances that might enhance, prevent, degrade or delay the achievement of the organisation or service objectives.

This list of risks is then used to guide the analysis, evaluation, treatment and monitoring of key risks. The risk identification process must identify unwanted events, undesirable outcomes, emerging threats, as well as existing and emerging opportunities.

How to perform risk identification
The key steps necessary to effectively identify risks from across the organisation are:

- Understand what to consider when identifying risks
- Gather information from different sources to identify risks
- Apply risk identification tools and techniques
- Use risk categories for comprehensiveness
- Document the risks
- Document the risk identification process
- Assess the effectiveness of the risk identification process

Key questions staff should always address are:

- What could possibly go wrong; and at what point during the activity?
- How could it happen and why?
- What could be the effect?
- Who could be affected?

Identification of new risks
Identification of any new risk needs to be reported and discussed within a clear governance structure that enables management oversight of all risks relevant to the service(s) and a process for support, action, and escalation.

Risks identified outside a meeting environment, should be taken to the next management meeting for review and scoring with the expectation this risk will be added to the Risk Register within 7 days.

Risks identified within a meeting environment should be documented within the meeting minutes and action tracker to reflect the action of adding the risk(s) to the Risk Register within 7 days.

New risks are expected to be confirmed as 'live' and moved from the Datix risk ‘holding area’ to ‘Open’ status within 4 weeks of being added to a Risk Register.
4.4 Risk Sources
Risks will be identified through a variety of sources. It is the responsibility of all employees to identify risk and through discussion with the relevant manager to ensure it is recorded on the Risk Register and a risk owner allocated.

![Figure 3: Sources of Risks](image)

4.5 Risk Registers
Managing risk is part of everyday management in the NHS, however due to the time that is required to implement solutions to risks and financial constraints; the concept of Risk Registers has been developed to provide an ongoing log of these risks. Risk registers are primarily an internal management tool to support clinical Networks and Support Services in documenting, managing, and sharing their risks whilst there is an opportunity to escalate particular risks to senior managers and executives.

Risks that are identified should be recorded on the Risk Register – a considered judgement should be made about which risks need to be recorded on the Risk Register so it becomes a manageable directory of key risks being managed or assured. The key principle is that all key or significant risks must be recorded. Careful consideration should be given as to the most effective way to record risks to make the Risk Register a manageable document. For example, multiple health and safety risks for a team may be submitted into one appropriately rated overarching risk.

Accuracy of data is essential and when risks are entered onto this system all relevant fields on the form should be completed. The Risk Register must include the source of risk, description of the risk, existing and required Controls and Assurance, a risk score, the action plan, dates of risk review and the target score.
The Trust Risk Register and the Board Assurance Framework are 'live' documents and each change is recorded so that an audit trail of risks and changing risk scores is available, therefore, all risk scores are current and based on the controls and assurances in place when scoring the risk.

Where a risk is identified but it is considered another person should be the risk owner, for example, a Support Service, there must be a discussion between all relevant people to agree the risk owner.

It is important to note, the Risk Register is for recording risks, not individual hazards. For example, an inpatient mental health ward would record a risk of ligature and self-harm rather than each individual ligature hazard.

Managing risk is a continuous process, which needs to be embedded into the systems to aid decision-making, accountability and systems improvement. A defined Risk Register allows the Network/ Support Service to:

- Identify all relevant risks
- Quantify and prioritise risks according to their relative importance in terms of severity of the hazard/ risk and the likelihood of occurrence
- Obtain information about their extent and nature
- Appraise the adequacy of adequate control measures
- Decide the appropriate additional methods of control/ risk treatment
- Review and dictate the level of resource allocation

Risks and issues often get confused. Risks are things that might happen and stop or reduce the effectives of the Trust, Network, or Support Service achieving objectives, or otherwise impact on the success of the organisation or the safety of patients or staff. Issues are events or circumstances that have arisen which were not planned and require robust system/ processes/ management in place. The Risk Register is for recording risks, whereas issues should be reported under different policies, for example, the RM012 Incident Policy. The difference is:

- **Risk** is the threat or possibility that an action or event will adversely or beneficially affect the Trusts' ability to achieve its objectives, service delivery or the safety of patients and staff. It is measured in terms of likelihood and consequence.

- **Issues** are circumstances that will have or are currently having an effect upon the achievement of objectives, service delivery or the safety of patients and staff that have happened but were not planned and require management attention.

### 4.6 Board Assurance Framework (BAF)

The BAF is a key document used to record and report the Trusts' key strategic objectives, risks, controls and assurances to the Board of Directors. The BAF ensures the Trust have assurance that risks to the delivery of its strategic objectives are successfully managed. The BAF takes into account the recommendations from Audit, Executive leads and Committees of the Board as to what should be included, amended and removed. The BAF is updated and approved by the Board of Directors.
4.7 Horizon Scanning
Horizon scanning is about identifying, evaluating and managing changes in the risk environment, preferably before they manifest as a risk or become a threat to the Trust. Additionally, horizon scanning can identify positive areas for the Trust to develop its business and services, taking opportunities where these arise. The Trust will work collaboratively with partner organisations and statutory bodies to horizon scan and be attentive and responsive to change.

By implementing mechanisms to horizon scan the Trust will be better able to respond to changes or emerging issues in a coordinated manner. Issues identified through horizon scanning should link into and inform the Business Planning process. As an approach it should consider ongoing risks to services.

The outputs from horizon scanning should be reviewed and used in the development of the Trusts’ strategic priorities, objectives and development. The scope of horizon scanning covers, but is not limited to:

- Legislation
- Government white papers
- Government consultations
- Socio-economic trends
- Trends in public attitude towards health
- Department of Health publications
- Local demographics
- Seeking stakeholder views

All staff have the responsibility to bring to the attention of their managers potential issues identified in their areas which may impact on the Trust delivering on its objectives.

Board of Directors have the responsibility to horizon scan and formally communicate matters in the appropriate Committee relating to their areas of accountability.

4.8 Articulation of Risks
Risk Title
The risk title should clearly identify what the risk is. Always ensure the risk is fully visible by stating the risk failure followed by the cause of the risk and impact of the risk. A poorly worded risk can lead to the incorrect action taking place, which does not manage the risk.

LSCFT have developed the following cause and effect approach to how risk titles should be articulated. When articulating a risk title, there is a need to consider the cause of the risk as well as the effect that the risk will have.

**Figure 4: Risk Title: Cause and Effect Model**
The description must be:
- Factual, and must not contain opinions
- Do not enter names of people, patients or any other personnel involved
- Ensure the likely cause and the potential harm are clear

Below are some good examples of correctly articulated risk titles:

- Periods of low staffing levels or incorrect skill mix at crucial times may result in service users not being triaged, assessed, and signposted within safe timeframes
- Lack of access to Speech and Language Therapy for inpatients may result in delays in the provision of appropriate therapeutic support
- Failure to undertake CHC assessments may result in service users experiencing a delay in provision of appropriate care
- Failure to cover the twilight on-call medical rota may impact on patient safety due to availability of a Doctor
- Active MS Access database on the IT network without approval may breach IG policy due to the retention and sharing of patient and/or staff data.

**Top Tip:** The Risk Register is for recording of risks, not individual hazards, for example, an inpatient mental health ward would record a risk of ligature and self-harm rather than each individual ligature hazard

Below are examples of good risk descriptions/ consequences:

- The established target for Q2 was not achieved. The potential for harm is that service users and their families in high degree of distress and clinical risk do not receive a timely service. In the first episode of psychosis this can negatively impact on the quality of recovery.

- Compliance with the regulatory framework supporting medical revalidation is compulsory. The Trusts’ requirement is defined in its role as a ‘designated body’ and the Trusts’ Medical Director in their role as ‘Responsible Officer’ (RO). In addition to assuring the Board of compliance with the regulatory framework, NHS England requires the Trust to meet specific requirements outlined within the Annual Organisational Audit which provides assurance that each designated body has effective systems in place which comply specifically with the RO regulations.

**Top Tip:** It is important to get the risk description correct to ensure that those involved in managing the risk understand what the risk relates to
4.9 Analysing and assessing risks

Risk assessment is a systematic process to quantify or qualify the level of risk associated with a specific threat or event, to enrich the risk intelligence available to the organisation. The main purpose of risk assessment is to help prioritise the organisations’ most important risks.

Risks should be assessed on the basis of the likelihood of the risk occurring and the impact/consequence of its occurrence on the Trust/service objectives. Consideration should also be given to the controls and assurances in place to manage/mitigate the risk.

All risks must be graded using the Trust risk grading matrix. This is detailed in Appendix 2 and involves calculating the risk likelihood and risk consequence before calculating the overall risk rating.

The purpose of risk assessment is to determine the level and exposure to particular events or circumstances and to enable decisions or responses to reduce or exploit the effects of those events. The risk assessment stage involves the analysis of individual risks to identify the consequences and likelihood of the risk being realised.

When assessing a risk you will need to:

- Identify who is affected and what is the potential consequence should the risk occur (The consequence (how bad) a risk occurring could be)

- Estimate the likelihood (how often) of a risk occurring once plans to control or mitigate the consequence of a risk have been put in place

- Consider whether this is a standalone risk or whether this could combine with other potential risks

- Assess and score the exposure to that risk. Guidance on evaluating and scoring can be found in later in this procedure

- Escalate to your direct line manager or designated risk champion for discussion/inclusion on the Trust wide Risk Register.

The purpose of assessing and scoring a risk is to estimate the level of exposure to a particular risk, which will then help to inform where responses to reduce or better management of a risk can be taken. The Trust will use one single Risk Register which is a module in an integrated risk management system. Each risk entry will have:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk description</td>
<td>Each risk requires a clear and articulate description, setting out the nature of the risk and the potential impact of the risk</td>
</tr>
<tr>
<td>Nominated risk owner</td>
<td>The risk owner is responsible for ensuring the risk is being actively managed and the Risk Register entry is up to date</td>
</tr>
<tr>
<td>Calculation of initial risk rating</td>
<td>The initial risk rating is the risk level at the point the risk is identified</td>
</tr>
<tr>
<td>Current risk rating</td>
<td>The current risk rating will change over time with a view to it achieving the target risk rating as a minimum</td>
</tr>
<tr>
<td>Target risk rating</td>
<td>The target risk rating should be the acceptable risk level for the risk</td>
</tr>
<tr>
<td>Controls</td>
<td>Controls are the measures in place to reduce the risk likelihood or risk consequence</td>
</tr>
<tr>
<td>Gaps in Control</td>
<td>Known Controls that should be in place and would reduce the risk, or are known to be ineffective, but are not</td>
</tr>
<tr>
<td>Requirement</td>
<td>Expectation</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Assurances</td>
<td>Assurances are the measures in place to provide confirmation the control are working as anticipated</td>
</tr>
<tr>
<td>Gaps in Assurance</td>
<td>Information for monitoring Controls that are not yet in place or illustrate an adversely functioning Control</td>
</tr>
<tr>
<td>Actions</td>
<td>Actions to address Gaps in Control and/or Assurance. Once a mitigating action is complete it becomes a control and the current risk rating should be reviewed to assess whether it has brought the risk level to the target risk rating. If it has not, additional mitigating actions will be required.</td>
</tr>
<tr>
<td>Progress notes</td>
<td>Progress notes helps provides narrative to what action has been undertaken so far to manage the risk</td>
</tr>
<tr>
<td>Review date</td>
<td>The risk owner is responsible for reviewing the risk on a regular basis, in line with this policy. Each review must be documented on the Risk Register and a new review date set.</td>
</tr>
</tbody>
</table>

4.10 Risk Scoring
Once a risk assessment has been completed the risk should be scored using the Trusts’ risk scoring/grading matrix tool to help estimate the likelihood x consequence of a risk being realised and give a resulting overall risk score.

Risks are scored using a risk scoring matrix. The Trust has adopted a 5x5 matrix (Appendix 2) with the risk scores taking account of the consequence and likelihood of a risk occurring.

Risk is measured according to a multiplication of two factors:
- How often is it likely that an event will occur (likelihood)
- What level of harm will it cause when it does happen (consequence)

The scoring of risk is a 3 step process.

**Step 1:** Evaluating the consequence of a risk if no plans exist to control, mitigate or reduce the impact of a risk occurring. The consequence score has five descriptors:

<table>
<thead>
<tr>
<th>Score</th>
<th>Consequence Descriptor</th>
<th>Consequence Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Insignificant</td>
<td>Please see Appendix 2 for the Risk Grading Matrix</td>
</tr>
<tr>
<td>2</td>
<td>Minor</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Major</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Catastrophic</td>
<td></td>
</tr>
</tbody>
</table>
**Step 2:** Evaluating the likelihood (how often) a risk may occur once plans and control to mitigate (reduce/ remove) a risk have been put in place. The table below gives the descriptions of the likelihood of a risk occurring:

<table>
<thead>
<tr>
<th>Descriptor</th>
<th>Rare</th>
<th>Unlikely</th>
<th>Possible</th>
<th>Likely</th>
<th>Almost Certain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Frequency</td>
<td>Not expected to occur for years</td>
<td>Expected to occur at least annually</td>
<td>Expected to occur at least monthly</td>
<td>Expected to occur at least weekly</td>
<td>Expected to occur at least daily</td>
</tr>
<tr>
<td>Probability</td>
<td>Will only occur in exceptional circumstances</td>
<td>Unlikely to occur</td>
<td>Reasonable change of occurring</td>
<td>Likely to occur</td>
<td>More likely to occur than not</td>
</tr>
</tbody>
</table>

**Step 3:** To calculate the risk score, you must then multiply the consequence score with the likelihood score.

**LIKELIHOOD score x CONSEQUENCE score = RISK score**

By multiplying the likelihood and consequence scores together a total risk score will be created. The score will then determine the level of risk as shown below:

- **1 - 3:** Low
- **4 - 6:** Moderate
- **8 - 12:** High
- **15 - 25:** Significant

*For example:*  
A consequence score of 4 (major) is multiplied by the likelihood score of 3 (possible) which gives a risk score of 12. This would then be shown as a high risk.

### 4.11 Risk Ratings

The Trust Risk Register details three ratings to manage the risk. Each risk will be assigned 3 risk scores:

- **Initial risk rating:** the \( (likelihood \times consequence) \) without any controls in place
- **Current risk rating:** the \( (likelihood \times consequence) \) with controls in place at the time of assessment or review
- **Target risk rating:** the \( (likelihood \times consequence) \) with all controls in place and the controls being fully implemented and working effectively

Decisions to accept, reduce or eliminate risks should be clearly documented and made available to stakeholders.
4.12 Risk Review Frequency
The following table sets out minimum expectations for the review of risks:

<table>
<thead>
<tr>
<th>Risk Rating</th>
<th>Minimum review frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 3: Low</td>
<td>Every twelve months – or sooner in light of changes</td>
</tr>
<tr>
<td>4 - 6: Moderate</td>
<td>Every six months – or sooner in light of changes</td>
</tr>
<tr>
<td>8 - 12: High</td>
<td>Every quarter – or sooner in light of changes</td>
</tr>
<tr>
<td>15 - 25: Significant</td>
<td>Every month – or sooner in light of changes</td>
</tr>
</tbody>
</table>

**Top Tip:** Review dates are to ensure risks are reviewed on a regular basis in accordance with the above table

4.13 Agreement of Target Risk Ratings
The target risk rating is the level of risk which the Trust is comfortable in accepting. The following table sets out the levels by which a target risk rating can be agreed:

<table>
<thead>
<tr>
<th>Target Risk Rating</th>
<th>Level of authority to agree target risk rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 3: Low</td>
<td>Risk Owner</td>
</tr>
<tr>
<td>4 - 6: Moderate</td>
<td>Team/ Ward Manager</td>
</tr>
<tr>
<td>8 - 12: High</td>
<td>Service Manager/ Care Group Manager</td>
</tr>
<tr>
<td>15 - 25: Significant</td>
<td>Head of Operations/ Network Clinical Directors/ Associate Director</td>
</tr>
</tbody>
</table>

4.14 Expectations to Manage and Review Risks
The following table sets out the expectation of Network Governance, Groups or Support Service Senior Management Team to manage and review risks:

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Team/ Ward Management Meetings</th>
<th>Area Management Meetings</th>
<th>Locality Management Meetings</th>
<th>Network Governance Groups</th>
<th>Network Governance &amp; Assurance Committees</th>
<th>Delivery Groups</th>
<th>Sub-Committee of Board</th>
<th>Committee of Board</th>
<th>Board Assurance Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 - 12: High</td>
<td>Risks scored 8-12</td>
<td>Risks scored 8-25</td>
<td>15+ risks</td>
<td>15+ risks</td>
<td>15+ risks</td>
<td>15+ risks</td>
<td>Board Assurance Framework</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.15 Risk Escalation
The risk owner is responsible for ensuring the risk is being actively managed, which includes escalating the risk as required.

As a minimum this should include:
- Advising appropriate staff of new or changed risks and any actions they are required to take in order to work safely
- Advising any managers, senior managers or corporate specialists/ departments of any new or changed risks where appropriate.
The risk owner is responsible for ensuring relevant managers are advised of any new or changes to risks and should not rely on automatic notifications from the Datix risk management system.

All new risks and changes to existing risks where the current risk rating is scored 15 and above must be immediately reviewed by the Head of Operations/ Network Clinical Director/ Associate Director. If the current risk score is confirmed by this review, then the relevant Executive Director must be notified. Consideration should also be given as to how the risk may impact on risks contained in the BAF.

Any risk of any rating with the ability to threaten the capability to meet Trusts’ strategic objectives should be escalated to the relevant Executive Director for consideration of how it impacts the BAF. The Risk Appetite Statement will guide the Executive Director in any decision making on further escalation.

4.16 Controls and Mitigation (Action Planning)

Controls
The key controls relating to risk which need to be identified are those which, when taken together, support our staff in the achievement of the organisations’ objectives and sound risk management practices.

**Top Tip:** Controls are the measures in place to reduce the risk likelihood or risk consequence and assist secure delivery

Control Identification
Controls are identified measures that are intended to minimise the likelihood or severity of a risk. The Health and Safety Executive identifies that risks should be reduced to the lowest reasonably practicable level by taking preventative measures, in order of priority. The list below sets out an ideal order to follow when planning to reduce risk from activities.

Consider the headings in the order shown, do not simply jump to the easiest control measure to implement

- Elimination
- Substitution
- Physical controls
- Administrative controls
- Protective clothing or equipment
- Training/ policy change

Controls may be actions that are repeated, either regularly or in response to event or they may be one off actions or decisions.
The Trusts’ controls falls into three main categories:

- **Prevention** – these controls prevent a hazard or problem from occurring. For example; changes to process/techniques/equipment used, changes to delivery times/location, changes to staffing levels, new training, checklists, computer systems, protective clothing, policies, procedures, guidelines and business case development

- **Detection** – these controls provide an early warning of control failure. For example; audit, inspection, monitoring, incident reporting, smoke detectors, complaints, surveys and tests

- **Contingency** – these controls provide effective reaction in response to a significant control failure or overwhelming event and are designed to mitigate harm and improve resilience. For example; evacuation plan, escalation procedure, continuity plan, backup generator, agency cover and insurance

It is important to note the following points when considering controls:

- **Processes** including press/communications management and contingency planning are effective at minimising the impact of most adverse events

- **Resources** including structured training, processes, procedures, supervision or quality assurance can dramatically reduce the likelihood of a risk occurring

**Gaps in Controls**
Where there are gaps in current controls or controls that are in a development prior to maturity, then risk owners need to establish the most appropriate way forward and develop a risk action plan for implementation.

The Trust Risk Register requires the risk owner to consider the effectiveness of each control through the process of obtaining assurances that the control is in place and is operating effectively. These assurances are obtained from a variety of sources, such as management reports, internal and external audit and other external assessors.

All managers must ensure specific, measurable, appropriate, realistic and timely actions are taken to address identified gaps in control. Managers will ensure action plans are delivered by the required date, this will be monitored by the Network Governance Groups and oversight of delivery or issues related to delivery will be reported through to Network Governance & Assurance Committees as pertinent to the risk identified.

When considering the likelihood of a risk occurring, all staff need to develop and consider the actions that can be put in place.

**Top Tip:** Gaps in controls are areas that require attention to ensure that systems and processes are in place to mitigate the risk
Actions
Managing risks involves identifying options for mitigating the risk, assessing those options, preparing risk management action plans and implementing them.

Mitigating actions can be classified into different approaches to manage risk:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reduction</strong></td>
<td>A reduction in <strong>Likelihood</strong>. For example, through development of policies, procedures, preventative maintenance, supervision or training</td>
</tr>
<tr>
<td></td>
<td>A reduction in <strong>Consequence</strong>. For example, through contingency plans, minimising exposure to risk, re-location of activity</td>
</tr>
<tr>
<td><strong>Transfer</strong></td>
<td>Arranging for another party to bear or share some part of the risk, through contracts, partnerships, joint ventures or insurance etc.</td>
</tr>
<tr>
<td><strong>Retention / Tolerance</strong></td>
<td>After risks have been reduced and transferred, they may be an element of risk retained. Plans should be in place to manage the consequences of these retained risks. Any retained risk (known as residual risk) should be considered.</td>
</tr>
<tr>
<td><strong>Elimination</strong></td>
<td>A decision not to proceed with the activity likely to generate the risk. Where the risk is completely removed. This is rarely possible but the best method where it can be achieved.</td>
</tr>
</tbody>
</table>

Each mitigating action will have an action owner that is responsible for ensuring the action is implemented within the agreed deadline. Mitigating actions should be agreed between the risk owner and action owner before they are recorded on the Risk Register. Mitigating actions may sit with other teams than where the risk originates or with Support Services.

**Top Tip:** Mitigating actions are operational plan objectives aligned to the risks which on completion will provide additional controls to mitigate the risk. When these actions are outstanding, they are an important consideration in assessing gaps in controls and assurances.

4.17 Assurances
A key element of the Trusts’ risk management system is providing assurance that we manage risks effectively by ensuring the effectiveness of controls and actions being put in place to mitigate the impact of any risks.

Assurance provides evidence, to staff/ management/ Directors and the organisation that what we are currently doing is making impact on risks.

**Top Tip:** Assurances are the measures in place to provide confirmation that the controls are working effectively in supporting the mitigation of the risk.

**Top Tip:** Gaps in assurances are areas where there is limited or no assurance that processes and procedures are in place to support the mitigation of the risk.
4.18 Sources of Assurances
Most types of assurance will be evidenced (for example, meeting minutes, checklists, written reports) whilst some may be more informal (such as evidence of discussions).

4.19 Risk Reviews
When reviewing a risk, the current risk rating should only change when either the circumstances causing the risk change or when there is sufficient assurance the mitigating actions underway have taken effect. It is not acceptable to change the current risk rating where there is no assurance of mitigating actions taking effect nor is it acceptable to change the risk rating without providing an update/justification to the Risk Register entry.

4.20 Closing Risks
A risk may be ‘closed’ on the Risk Register at the point when the risk is no longer present and a recurrence is rare, or when the risk has been permanently reduced to a low risk rating which requires no further monitoring. Some risks will remain on the Risk Register as ongoing monitoring is required to provide assurance the control measures are working effectively.

4.21 Risk Surveillance
The risk surveillance process consists of two key elements:

- Review of risks recorded in the integrated risk management system to ensure risks meet the requirement of this policy
- Risk analysis and theming to identify trends and supports risk reporting

4.22 Datix Risk Management System
The Risk Register and BAF Form must be accurately and fully completed. In addition to completing the form, the following sections must also be completed:

- Key controls already in place
- Gaps in controls
- Assurances
- Gaps in assurances

New risks added to the Datix risk management system will be stored in the holding area, these risks have been submitted but are yet to be accessed and reviewed by the risk owner. This must be done within 4 weeks of the risk being opened or the risk will automatically go live. Once the risk has been reviewed, the following options are applicable; the risk is moved to the open Risk Register, closed Risk Register or rejected.
4.23 Risk Appetite
Risk appetite is defined as ‘the amount and type of risk that an organisation is prepared to seek, accept or tolerate.’ Specifically in relation to the NHS organisations the consideration is ‘what levels and types of risk do our stakeholders expect us to accept (and not accept) in pursuance of our strategic priorities?’

The Risk Appetite Statement is a method through which the Board communicates expectations for risk-taking to the wider organisation and improve oversight of risk by the Board. As well as the overall Risk Appetite Statement, separate statements are provided for each risk category.

Risk appetite is the level at which the Trust determines whether an individual risk, or a specific category of risks, is deemed acceptable or unacceptable based upon the circumstances/situation facing the Trust. This determination may well impact on the prioritisation of resources necessary to mitigate or reduce the impact of particular risk and/or the time the timeframe required to mitigate a risk.

Decisions relating to bids and tenders that require a decision from Senior Leadership Team or Board are required to demonstrate how risk appetite has been incorporated into the decision making. To achieve this, the due diligence process is undertaken when assessing bids and tender should consider risk appetite.

4.24 Assurance of Risk Management

Network Governance Groups and Support Services Senior Management Teams (or equivalents) are required to seek assurance of the effective application of this procedure and effective risk management across their business areas.

This will include, as a minimum, a quarterly review of all individual high risks (8-12) and significant risks (15-25) and an annual review of all individual low risks (1-3) and moderate (4-6) risks to seek assurance they are being managed in accordance with this procedure.

It is important to note the distinction between management of risk (as set out above) and assurance of effective risk management (as set out in this section).

Sub-Committees (including the Corporate Governance and Compliance Sub-Committee) will review strategic risks relevant to their portfolio on a quarterly basis to seek assurance of the effective management of all significant (15-25) risks. Where areas of non-compliance or areas of concern are identified this will be referred to the relevant Network Governance and Assurance Group or Support Service Senior Management Team and the relevant Executive Director for intervention and subsequent assurance reporting back to the Sub-Committee. Sub-Committees will also review the Board Assurance Framework risks relevant to their portfolio alongside the strategic risks to determine any impact on the BAF risks arising.

Board Committees will assess the assurances and escalations from its Sub-Committees via their Chairs’ Report and will make any changes to BAF risks. The Trust Board will seek assurance from its Committees that risks are being managed effectively.

The Board of Directors will review the BAF quarterly along with assurances and escalations from its Committees’ via the Chairs’ Report and will make any changes to the BAF risks. The Board of Directors will seek assurance from its Committees that risk is being managed effectively.
4.25 Reviewing of risks within meetings
Each level within the locality meeting structure is required to review their risks.

Network Governance and Assurance Committee (NGAC)
Reviews risk to ensure good control mechanisms are in place to be able to provide assurance to the relevant Sub-Committee, for example, assurance via the Chairs’ Report, any additional information the Committee wishes to commission to support mitigation of risks.

Networks Governance Groups
Reviews all risks scored 8-25 on a monthly basis and provide assurance to the NGAC those risks are being managed. Responsibility for these groups is to:

- Ensure that appropriate and effective risk management processes are in place within their designated area(s) and scope of responsibility
- Escalate any new risks which have been identified that should be reported in the Chairs’ report to the NGAC which will require adding to the Risk Register
- Review risks for assurance and/or identification of risks; is there a need to commission additional assurance to be reported at the next meeting?

Locality Management Meetings
Reviews all risks scored 8-12 on a monthly basis to ensure that clinical and business risk management systems and processes are embedded at every level within the services and there is assurance with current and future risk management standards and legislation. These meetings also look at:

- Ensuring that there are controls and/or assurances in place to help mitigate risks
- Are there any areas of concern over the adequacy/ effectiveness of the controls and/or assurances against any of the risks
- Receive reports from Area Management Meetings where risks have been identified that cannot be managed locally and may have implications for the rest of the Network or the Trust
- Identify any new or emerging risks which are reported to the Network Governance Group.

Area Management Meetings
Review all risks on a monthly basis. The key objective for this meeting is to:

- Review of activities, systems and processes undertaken to detect any new risks that may have arisen an ensure existing risks are still being effectively managed
- Ensure the appropriate recording of all operational risks
- Oversee and review clinical and environmental/ ligature audits completed within the service lines
- Identify any risks whereby the risk is no longer present or it has been permanently reduced to the target risk scoring needs to be closed within the Risk Register. Individuals need to ensure when closing risks that there are progress notes inputted providing an explanation as to why the risk has been closed.
Team/ Ward Management Meetings
The key objective for risk management within the team/ ward management meetings are to review risks which are associated within that team/ ward on a monthly basis to ensure these are being appropriately managed and to raise any issues or concerns to the Area Management Meeting, via the minutes, where risks are unable to be progressed.

4.26 Risk Management Training and Support
Risk management training, guidance and advice are provided through the Risk and Assurance Team. Risk management training is made available for both new and existing employees.

The Associate Director of Effectiveness will be responsible for the development and delivery of a training programme to support the effective implementation of this policy which will include:
- Basic risk management awareness for all employees
- Risk management training for managers
- Training in the use of the Datix risk management system
- Additional specialist training as required.

4.27 Risk and Assurance Toolkit
The Risk and Assurance Toolkit is an interactive toolkit made up policies, procedures, guidance documents, fact sheets and videos which is designed to enhance staffs’ understanding of risk management and assurance. The guidance explains how risk management and assurance plays a key role at LSCFT.

4.28 Associated Documents
- Risk and Assurance Plan
- Risk Management Policy
- Risk and Assurance System
- Risk and Assurance Process
- Risk and Assurance Toolkit
- Risk Appetite Statement
- Annual Governance Statement
- Corporate Governance Handbook
Appendix 1: Risk Management Framework

Key
- Risk Management
- Risk Assurance

Board Assurance Framework (BAF)
Board Committees & Sub-Committees review and seek assurance on BAF risks relevant to their portfolio quarterly, the full BAF is reviewed by the Trust Board of Directors every quarter.

Sources of Risk
- Strategic
- Operational

15+ Risks
Board and Sub-Committee review and seek assurance on 15+ risks relevant to their portfolio quarterly and advise Board Committee on the impact to BAF risks.

Support Service Risk Register
Support Services hold meetings with their service to seek assurance on risks.

Risk Register
- Every risk allocated on the risk register is allocated a risk owner who manages and reviews the risk in accordance with the Risk Management Policy & SOP.
- Action Owners ensure mitigating actions are completed within agreed timescales.

Network Risk Register
Network Governance and Assurance Committees seek assurance on risks in their services.
- Risks scored 1-5 should be assured annually.
- Risks scored 8-25 should be scored every quarter.
Risk Grading Matrix
The Trust grading matrix detailed in this appendix must always be used to promote consistency of risk scoring.

Health and safety risks would be identified after completion of a health and safety risk assessment, for more details, please refer to the Health and Safety Risk Assessment Procedure.

The following 3 tables provide guidance on risk grading:
- Table 1 – Grading the likelihood
- Table 2 – Grading the consequence
- Table 3 – Grading the risk

Grading the likelihood
Likelihood can be assessed using two guidance options:
- **Frequency**: where there is evidence and knowledge to determine the frequency, or
- **Probability**: where there is no current evidence or knowledge to support the assessment of likelihood.

Table 1 provides guidance to support this judgement:

<table>
<thead>
<tr>
<th>Descriptor</th>
<th>Rare</th>
<th>Unlikely</th>
<th>Possible</th>
<th>Likely</th>
<th>Almost Certain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Frequency</td>
<td>Not expected to occur for years</td>
<td>Expected to occur at least annually</td>
<td>Expected to occur at least monthly</td>
<td>Expected to occur at least weekly</td>
<td>Expected to occur at least daily</td>
</tr>
<tr>
<td>Probability</td>
<td>Will only occur in exceptional circumstances</td>
<td>Unlikely to occur</td>
<td>Reasonable change of occurring</td>
<td>Likely to occur</td>
<td>More likely to occur than not</td>
</tr>
</tbody>
</table>
### Grading the Consequence Matrix

Table 2 provides guidance to support this judgement:

<table>
<thead>
<tr>
<th>Strategic Priority</th>
<th>BAF Risk</th>
<th>Domain</th>
<th>Insignificant</th>
<th>Minor</th>
<th>Moderate</th>
<th>Major</th>
<th>Catastrophic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient/ Public/ Staff Injury</td>
<td>SP1 Quality</td>
<td>Patient Experience</td>
<td>Unsatisfactory patient experience, not directly related to patient care</td>
<td>Unsatisfactory patient experience readily resolved</td>
<td>Mismanagement of patient care</td>
<td>Serious mismanagement of patient care</td>
<td>Total unsatisfactory patient outcome or experience</td>
</tr>
<tr>
<td></td>
<td>1.0</td>
<td>Infection, Prevention &amp; Control</td>
<td>Cross transmission of low pathogenic organisms (bacteria &amp; viruses) that causes minor illnesses</td>
<td>Under or non-reporting of incidents/ infections</td>
<td>Changes in working practices</td>
<td>Poor communication</td>
<td>An outbreak confined to a clinical area which involves the transmission of pathogenic organisms (bacteria &amp; viruses) that potentially could cause mortality or morbidity on an individual level</td>
</tr>
<tr>
<td></td>
<td>2.0</td>
<td>Violence &amp; Aggression</td>
<td>Heated disagreements</td>
<td>Attack resulting in minor injury</td>
<td>Abuse, swearing directed at specific staff</td>
<td>Specific threat to harm</td>
<td>Overtly physically aggressive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Information Governance</td>
<td>Insignificant breach of confidentiality/ health care records error</td>
<td>Minor breach of confidentiality/ health care records error</td>
<td>11-100 individuals affected</td>
<td>Moderate breach of confidentiality/ health care records error</td>
<td>Severe breach of confidentiality/ health care records error</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Less than 10 individuals affected</td>
<td>11-100 individuals affected</td>
<td>101-1000 individuals affected</td>
<td>1001-5000 individuals affected</td>
<td>5001+ individuals affected</td>
</tr>
<tr>
<td>Strategic Priority</td>
<td>BAF Risk</td>
<td>Domain</td>
<td>Insignificant</td>
<td>Minor</td>
<td>Moderate</td>
<td>Major</td>
<td>Catastrophic</td>
</tr>
<tr>
<td>-------------------</td>
<td>----------</td>
<td>-----------------------------</td>
<td>---------------</td>
<td>-------</td>
<td>----------</td>
<td>-------</td>
<td>--------------</td>
</tr>
<tr>
<td><strong>SP2 Sustainability</strong></td>
<td>3.0</td>
<td>External Partner Collaboration</td>
<td>Collaboration with external partners leading to moderate influence over system wide transformation</td>
<td>Collaboration with external partners leading to minimal influence over system wide transformation</td>
<td>Limited collaboration with external partners leading to minimal influence over system wide transformation</td>
<td>Ineffective collaboration leading to minimal influence over system wide transformation</td>
<td>Ineffective collaboration leading to inability to influence system wide transformation</td>
</tr>
<tr>
<td><strong>Accountable Care Partnerships</strong></td>
<td>4.0</td>
<td>Moderate influence over majority, but not all, ACPs; moderate influence over majority, but not all, STP-wide workstreams</td>
<td>Moderate influence over 1-2 ACPs; moderate influence over 2-3 STP-wide workstreams</td>
<td>Minimal influence over 1-2 ACPs; minimal influence over 2-3 STP-wide workstreams</td>
<td>Minimal influence over only 1 ACP; minimal influence over 1-2 STP-wide workstreams</td>
<td>No influence over any ACPs and system-wide workstreams</td>
<td></td>
</tr>
<tr>
<td><strong>Commissioning</strong></td>
<td></td>
<td>Minor breach with minimal impact</td>
<td>Minor breach, none reportable to Commissioner</td>
<td>Breach of condition, reportable but redeemable within contract terms</td>
<td>Breach of condition, imposition of contractual penalty and notice period</td>
<td>Breach resulting in immediate termination of contract</td>
<td></td>
</tr>
<tr>
<td><strong>SP3 Excellence</strong></td>
<td>5.0</td>
<td>Public/Stakeholder</td>
<td>Rumours</td>
<td>Negative public comments</td>
<td>Sustained campaign by an individual</td>
<td>Organised campaign</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>MPs</td>
<td>MP Query</td>
<td>Parliamentary question</td>
<td>Negative comments in the media</td>
<td>Campaign from single MP</td>
<td>Loss of faith in the Trust</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Media</td>
<td>Local media only &lt; 3 days</td>
<td>Local media only &lt; 1 week</td>
<td>Local reporting &gt; 1 week</td>
<td>National reporting &gt; 1 week</td>
<td>Long term sustained coverage on an issue &gt; 1 month</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social Media</td>
<td>A negative comment from an individual</td>
<td>Multiple negative comments from a small number of individuals</td>
<td>Negative/ inappropriate comments from staff</td>
<td>IG breach</td>
<td>Sustained organised campaign &gt; 2 weeks</td>
</tr>
<tr>
<td>Strategic Priority</td>
<td>BAF Risk</td>
<td>Domain</td>
<td>Insignificant</td>
<td>Minor</td>
<td>Moderate</td>
<td>Major</td>
<td>Catastrophic</td>
</tr>
<tr>
<td>-------------------</td>
<td>----------</td>
<td>-------------------------</td>
<td>---------------</td>
<td>------------------------</td>
<td>--------------------------</td>
<td>---------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>SP4 People</td>
<td>6.0</td>
<td>Staffing</td>
<td>Low staffing level with minimal effect on service provision for 1 day or less</td>
<td>Low staffing level adversely affecting service provision for between 1 and 2 days</td>
<td>Unsafe staffing levels that exist for between 3 and 5 days, that will compromise safety of service provision</td>
<td>Unsafe staffing levels that will exist for over 5 days and that will compromise the safety of service provision</td>
<td>Non-delivery of service due to lack of staff</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Training/ Competence</td>
<td>Low staffing level adversely affecting service provision for between 1 and 3 days</td>
<td>Late delivery of service due to lack of staff</td>
<td>Uncertain delivery of key objective/service due to lack of staff</td>
<td>No staff attending for core skills training</td>
<td>No staff attending for core skills training on an ongoing basis</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Health and Wellbeing of Staff</td>
<td>In work</td>
<td>Short term absence/ repeated short term absence</td>
<td>Long term absence</td>
<td>Leaves employment</td>
<td>Leaves employment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Settled and happy</td>
<td>Emotional, withdrawn, irritable and physical signs of stress</td>
<td>Overwhelmed, sense of dread, differences to visible appearance</td>
<td>In work</td>
<td>Depressed, loss of self-esteem, low mental focus, little physical energy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategic Priority</th>
<th>BAF Risk</th>
<th>Domain</th>
<th>Insignificant</th>
<th>Minor</th>
<th>Moderate</th>
<th>Major</th>
<th>Catastrophic</th>
</tr>
</thead>
<tbody>
<tr>
<td>SP5 Money</td>
<td>7.0</td>
<td>Financial Impact</td>
<td>Small loss</td>
<td>Minor financial impact</td>
<td>Moderate financial impact</td>
<td>Major financial impact</td>
<td>Catastrophic financial impact</td>
</tr>
<tr>
<td></td>
<td>8.0</td>
<td></td>
<td></td>
<td></td>
<td>Loss of contract/payment by results</td>
<td>Loss of major contract/payment by results</td>
<td>Loss of essential contract/payment by results</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Claims</td>
<td>Risk of claim remote</td>
<td>Net Risk Claim(s) &lt; £500,000</td>
<td>Net Risk Claim(s) between £500,000 and £1 million</td>
<td>Net Risk Claim(s) between £1 million and £5 million</td>
<td>Net Risk Claim(s) &gt; 5 million</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Litigation</td>
<td>Potential for litigation</td>
<td>Minor cost</td>
<td>Civil action, defensible</td>
<td>Civil action, no defence</td>
<td>Criminal prosecution, no defence</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Court attendance</td>
<td>Improvement notice</td>
<td>Prohibition notice</td>
<td>Criminal prosecution, defensible</td>
<td></td>
</tr>
</tbody>
</table>
### Grading the risk (risk = likelihood x consequence)

Table 3 provides guidance to support this judgement:

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>Insignificant</th>
<th>Minor</th>
<th>Moderate</th>
<th>Major</th>
<th>Catastrophic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Almost Certain</strong></td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td><strong>Likely</strong></td>
<td>4</td>
<td>12</td>
<td>16</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td><strong>Possible</strong></td>
<td>3</td>
<td>9</td>
<td>12</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td><strong>Unlikely</strong></td>
<td>2</td>
<td>6</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rare</strong></td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

#### Service Interruption
- Loss/ interruption of > 1 hour but < 8 hours
- Loss/ interruption of > 8 hours but < 24 hours
- Loss/ interruption of > 1 day but < 7 days
- Persistent loss/ interruption > 7 days but < 1 month
- Permanent loss of service or facility

#### Environment
- Minimal or no impact on environment
- Minor impact on environment
- Moderate impact on environment
- Major impact on environment
- Catastrophic impact on environment

#### Estates & Infrastructure
- No injury, breach of guidance/ procedure
- Minor injury, breach of legal requirement
- Moderate injury, improvement notices issues
- Major injury, disablement, prohibition notice issued
- Fatality, permanent disability
- Prosecution, litigation certain
- Adverse publicity, service closure
5.0 Monitoring
The Risk and Assurance team will review the Procedure on an annual basis and any changes will be carried out in the agreement of the Associate Director of Effectiveness. This procedure and associated documents will be made available via the Policies & procedures page on Trustnet. It will also be linked to the Risk and Assurance page and the Risk and Assurance Toolkit on Trustnet.

The procedure and associated documents will be published in the Trust weekly bulletin and the Network newsletters. Communication with employees is particularly important and risk management issues can be communicated through line management, team meetings, bulletins and the communication of alerts to relevant employee groups via email.

Managers must ensure that staff who do not have access to a PC/ mobile device are able to view this Policy and associated documents by other means.

Risk management training, guidance and advice are provided through the Risk and Assurance Team. Risk management training is made available for both new and existing employees.

6.0 References/Further Guidance


Health Act 1999, Ch 8
Health and Social Care Act 2008, Ch 14
Health and Social Care Act 2012, Ch 7
Health and Social Care Act (Safety and Quality) Act 2015, Ch 28


NHS Act 2006, Ch 41


*The Management of Health & Safety Regulations, 1999*