

BOARD OF DIRECTORS MEETING (Open)

Date: 14 June 2017

Item Ref: 06

TITLE OF PAPER	Board Risk Profile
TO BE PRESENTED BY	Margaret Saunders Director of Corporate Governance (Board Secretary)
ACTION REQUIRED	Discuss and approve the Board Risk Profile. Agree to continue to receive monthly updates.

OUTCOME	To ensure the Board of Directors is fully informed of the high level risks that are prevalent within the Trust.
TIMETABLE FOR DECISION	The Risk Profile will be presented to the Board of Directors on a monthly basis.
BAF OBJECTIVE No and TITLE	Strategic Aim 5 – financially viable, effective and well governed organisation.
LINKS TO OTHER KEY REPORTS / DECISIONS	Internal Audit Reports on Risk Management Corporate Risk Register Board Assurance Framework Directorate Risk Registers
LINKS TO OTHER RELEVANT FRAMEWORKS BAF, RISK, OUTCOMES ETC	Board Assurance Framework (BAF) links to strategic aims and objectives, corporate (organisational) risk register, directorate risk registers. Plus the regulatory requirements of NHS Improvement.
IMPLICATIONS FOR SERVICE DELIVERY AND FINANCIAL IMPACT	Implications of individual risks outlined on the Risk Profile.
CONSIDERATION OF LEGAL ISSUES	Compliance with Governance requirements of NHS Improvement including Trust Provider Licence.

Author of Report	Margaret Saunders
Designation	Director of Corporate Governance (Board Secretary)
Date of Report	June 2017

Summary Report

Report to: Open Board of Directors

Date: 14 June 2017

Subject: Board Risk Profile

From: Margaret Saunders, Director of Corporate Governance (Board Secretary)

Prepared by: Margaret Saunders Director of Corporate Governance (Board Secretary)

1. Purpose

The attached report is the Board Risk Profile produced using the high level risks currently recorded on the Trust's Corporate Risk Register. This report is provided to enable greater awareness and understanding at Board level of the major risks facing the organisation and for the Board to challenge the effectiveness of the controls in place to mitigate these risks.

2. Summary

The corporate risk register records the risks that underlie the strategic, overarching risks that are captured on the Board Assurance Framework (BAF); the operational risks that the Trust faces on a day-to-day basis. Risks that cannot be controlled within a single directorate, or that affect more than one directorate, are recorded on the corporate risk register.

The risks on the Risk Profile have been graded using the Trusts 5 x 5 risk matrix shown below. Only those risks rated 12 or above are shown on the Board Risk Profile of which there are currently four.

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

Once completed, actions are no longer shown on the report. Therefore all actions are either outstanding or on-going.

Since this report was last presented to the Board of Directors in May 2017 the following amendments have been made:

(i) Risk Numbers:

2163 – Statutory and mandatory training has been de-escalated to the Corporate Risk Register (CRR) this is on the basis of receiving confirmation from Sheffield Clinical Commissioning Group (SCCG) that the compliance issue with the Trust has been resolved. The revised Trust target of 80% has been agreed which is being exceeding in a number of subjects and making good progress in other areas with plans in place for subjects which are yet to reach the required level.

Risk No	Description	New	Risk Description updated	Risk rating amended	Controls updated	Actions updated
2175	Cost Improvements	X	X	X	✓	✓
3718	Pension Liability	✓	X	X	X	✓
3439	Transformation Agenda Clover Group	X	X	X	✓	✓
3679	Risk of Harm from ligatures	X	X	X	X	X
3788	Elimination of mixed sex accommodation (EMSA)	✓				
		Approved by EDG 08/06/17				

3. Next Steps

- New corporate risks will be discussed with risk leads, to ensure accurate recording of risks, controls and actions, prior to inclusion on the corporate register, where EDG agrees appropriate for inclusion;
- The Director of Corporate Governance will maintain the corporate risk register on the Board's behalf;
- Following discussion at EDG regarding directorate escalated risks, additional risks may be added to the Profile, prior to presentation at the next Board meeting;
- The Executive Directors' Group (EDG) will review the Risk Profile prior to Board meetings;
- The Corporate Risk Register will continue to be presented to the EDG in its entirety on a quarterly basis. The risks relevant and rated 12 and above will be presented to Audit Committee, QAC, FIC and WODC at least four times a year.

4. Required Actions

The Board of Directors is asked to:

- Discuss and approve the Board Risk Profile;
- Agree to continue to receive monthly updates.

5. Monitoring Arrangements

The corporate risk register will be maintained by the Director of Corporate Governance. EDG and the Board of Directors will receive and monitor high level risks on a monthly basis. EDG, the Quality Assurance Committee and the Audit Committee will receive and review the corporate risk register on a quarterly basis.

6. Contact Details

For further information, please contact:

Margaret Saunders
Director of Corporate Governance (Board
Secretary) Tel: (0114) 305 0727
Email: Margaret.Saunders@shsc.hs.uk

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PUBLIC BOARD RISK PROFILE

Risk No. BAF Risk	Lead Director	Details of Risk	Consequence Likelihood	Current Score	CONTROLS IN PLACE	ACTIONS	TARGET DATE
2175 4.1	Executive Director Of Finance	Failure to deliver required levels of CIP and disinvestments recurrently.	4 Major 3 Possible	12	<ul style="list-style-type: none"> • CIPs and disinvestments for 2017/18 are being managed and monitored by EDG. All clinical CIP plans are quality impact assessed (QIA) and reviewed and approved by the CIP and Disinvestment Working Group. • Transformation Programme Group will shortlist, prioritise and recommend for decision schemes to support the Trust achieve its savings challenge / strategic change programmes. This group's remit incorporates full oversight of the CIP planning and delivery process including making recommendation on priorities and resource utilisation and reporting against delivery to BPG and EDG. • The Director of Finance is managing directorate performance via the Trust's performance framework which ranks directorates into tiers based on forecast outturn position and CIP/disinvestment gaps. Directorates ranked in the lowest tier will be required to produce and implement a financial recovery plan which is being monitored via monthly meetings with the Director of Finance and Executive Directors Group. • Trust business planning cycle and processes. 	<p>Understand MARS scheme impact on financial risk (the extent to which it facilitate additional CIP or managed disinvestment) and incorporate into April position/risk assessment (Signed schemes of c£470,000 at 31 March 2017). All agreed in line with required paybacks.</p> <p>These are still in the process of being evaluated and transacted in line with the agreed Mars exit plans. This will form part of the May month 2 reporting positions.</p> <p>Review Terms of Reference of Business Planning Group, Transformation Programme Group and Transformational Operational Group.</p> <p>Director of Finance held meetings with all Designated Budget Holders to review current CIP plans and establish timeframe for mitigation plans.</p>	<p>30/06/2017</p> <p>30/06/2017</p> <p>09/06/2017</p>

PUBLIC BOARD RISK PROFILE

Risk No. BAF Risk	Lead Director	Details of Risk	Consequence Likelihood	Current Score	CONTROLS IN PLACE	ACTIONS	TARGET DATE
3718 4.1	Executive Director Of Finance	Risk of uncertainty around pension liability for the Trust, following the ending of the Section 75 agreement with Sheffield City Council.	4 Major 3 Possible	12	<ul style="list-style-type: none"> • Employment Group established to ensure processes are in place to mitigate loss of services/income Trust wide (c£12m) and minimise the financial impact. • Executive oversight of recruitment through vacancy control panel to review progress and amend recruitment controls monthly including vacancy freezes where required. • Transformation Programme Group to update EDG on CIP/DIS planning gap and make recommendation on schemes to progress to close the gap. • CIP delivery is reviewed at FIC. 	<p>Further discussions required regarding some elements. Final iteration of contractual arrangement is expected imminently.</p> <p>Memorandum of Understanding has been reviewed by SHSC and is awaiting feedback from SCC.</p> <p>Supply agreement is with solicitors for final sign off.</p>	<p>30/06/2017</p> <p>30/06/2017</p> <p>30/06/2017</p>

PUBLIC BOARD RISK PROFILE

Risk No. BAF Risk	Lead Director	Details of Risk	Consequence Likelihood	Current Score	CONTROLS IN PLACE	ACTIONS	TARGET DATE
						<p>Contract specifications to be ratified by directorate leads, prior to inclusion within the contract.</p> <p>Proposal regarding staffing ratios and finances for 2017/18 has been received by SHSC and currently under review.</p>	<p>30/06/2017</p> <p>30/06/2017</p>
3439 1.1	Executive Director - Operation	Due to the high turnover of staff within Clover and high usage of locum/agency staff there is a risk to the successful implementation of the transformation agenda as the service moves from the old to the new systems. High usage of temporary staff can impact on the quality of service provision and its delivery.	4 Major 4 Likely	16	<ul style="list-style-type: none"> • Organisational change process complete and transformation agenda being implemented within a 6-12 month timeframe, but in line with agreed tender funding levels. However, there is a challenge in delivering within the financial constraints. • Close monitoring at SMT with HR. • Staff continue to be supported through any organisational change. • Engagement of temporary staff - admin and reception, plus locum clinicians. • Continual staff engagement and communication to ensure staff are kept up to date. • Increased operational and HR support added for Clover to better 	<p>Discussed at Joint Executive Board held in April 2017, remains under continuous review. Meeting with SCCG re Clover Group contract held on 28 April 2017. Subsequent meeting with an MP and councillors. Action plan to be agreed between SHSC and SCCG.</p> <p>Briefing to be prepared for Board of Directors to provide update on progress of identified risk and its mitigation. Progress continues in drafting report with additional information being sought.</p>	<p>31/07/2017</p> <p>12/07/2017</p>

PUBLIC BOARD RISK PROFILE

Risk No. BAF Risk	Lead Director	Details of Risk	Consequence Likelihood	Current Score	CONTROLS IN PLACE	ACTIONS	TARGET DATE
					manage the situation.		
3679 1.4	Executive Director - Operation	Risk of harm to service users via ligatures.	5 Catastrophic 3 Possible	15	<ul style="list-style-type: none"> • Service user individual risk assessments. • Annual formal ligature risk assessments. • Weekly Health and Safety checks. • Reviews following ligature incidents. • Ligature risk reduction policy and procedures. • Management of equipment and estates work. • Clinical risk training. • Clinical practice including observations as directed by observation policy. • Risk identified at directorate level on risk register. • Design of new clinical environments. • Engagement in collaborative care planning with service users. 	<p>Ensure full implementation of new observation policy.</p> <p>As part of the service redesign ensuring that all environments meet the agreed the specification for reduced fixed ligature points.</p>	<p>30/06/2017</p> <p>28/09/2017</p>

PUBLIC BOARD RISK PROFILE

Risk No. BAF Risk	Lead Director	Details of Risk	Consequence Likelihood	Current Score	CONTROLS IN PLACE	ACTIONS	TARGET DATE
3788 1.4	Executive Director - Operation	Breach of EMSA.	4 Major 3 Possible	12	<ul style="list-style-type: none"> • EMSA lead for wards. • Effective ward management. • Bed management. • Estates work. • Plans for new design of wards. • Engagement with CCG. • Recording systems. • Risk assessments and management. • Monitoring of complaints and service user feedback. • Quality and dignity survey. • Patient safety survey. • Monthly reporting. • Incident reporting. • New PICU - improved EMSA compliant environment. 	<p>Continue to reinforce recording and reporting. Continue with regular EMSA reviews of environments. Link need into relevant training.</p>	31/07/2017