BOARD OF DIRECTORS MEETING (Open)

Date: 13th September 2017 **Item Ref:** **8**

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 quarterly 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 quarterly basis.
BAF OBJECTIVE No AND TITLE	A401ii Effectiveness of Trust Governance Systems
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	Sam Stoddart
Designation	Deputy Board Secretary
Date of Report	1st September 2017

SUMMARY REPORT

Report to: Board of Directors

Date: 13th September 2017

Subject: Board Risk Profile (Open)

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

Prepared by: Sam Stoddart, Deputy Board Secretary

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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. Risks are evaluated in terms of likelihood and impact using the 5 x 5 matrix where a score of 1 is a very low likelihood or a very low impact and 5 represents a very high likelihood or significant impact. This simple matrix is used to classify risks as very low (green), low (yellow), moderate (amber) or high (red).

Only those risks rated 12 or above are shown on the Board Risk Profile of which there are currently six.

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

1-4	Very Low Risk
5-8	Low Risk
9-12	Moderate Risk
15-25	High Risk

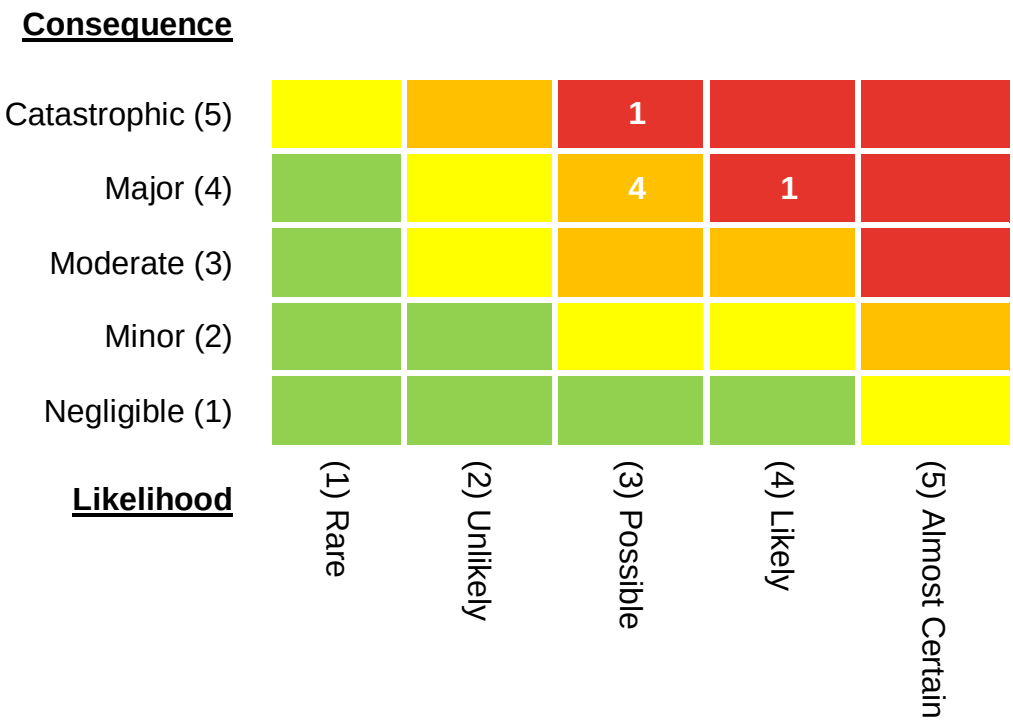
Once completed, actions are no longer shown on the report. Therefore all actions are either outstanding or on-going. Since this report was last presented to the Board of Directors in July 2017 the following amendments have been made:

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	x	✓
3831	Staff vacancies	✓	x	x	x	x
3439	Transformation agenda – Clover Group	x	x	x	✓	✓
3679	Risk of harm from ligatures	x	x	x	✓	✓
3788	Breach of EMSA	x	x	x	✓	✓

In line with the revision of the Trust's Risk Management Strategy which will be brought before Board in the near future, monitoring of the Trust's high level risks will move from monthly to quarterly.

Risk Profile

Below is the Trust's risk profile which shows the spread of high level risks on the Board Risk Profile and gives an overall impression of the Trust's total exposure to risk.



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 (Board Secretary) 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 on a quarterly basis. Relevant risks 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:

- Acknowledge the change from monthly to quarterly reporting of high level risks;
- Discuss and approve the Board Risk Profile;
- Agree to receive quarterly updates.

5. Monitoring Arrangements

The corporate risk register will be maintained by the Director of Corporate Governance (Board Secretary). EDG, the Audit Committee and the Board of Directors will receive and monitor high level risks on a quarterly basis. Other Board committees will receive relevant risks for monitoring purposes on a quarterly basis.

6. Contact Details

For further information, please contact:

Margaret Saunders
Director of Corporate Governance (Board Secretary)
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PUBLIC BOARD RISK PROFILE

Risk No. Risk Source BAF Risk	Lead Director	Details of Risk	Consequence	Likelihood	Current Score	CONTROLS IN PLACE	ACTIONS	TARGET DATE
2175 Risk Assessment 4.1	Executive Director Of Finance	Failure to deliver required levels of CIP and disinvestments recurrently.	4 Major	3 Possible	12	• CIPs and disinvestments for 2017/18 are being managed and monitored by EDG. All clinical and corporate 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 priories 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.	Recently developed CIP plans continue to progress via the CIP working group. Corporate CIP plans have now been agreed and are scheduled to be processed via the QIA process scheduled for late August and early September. Recovery plans are being developed in relation to areas currently under the performance review process based on Q1 financials. Other than Primary Care, which is overseen by JEB, these are all tier 2 meetings or on plan and therefore are led by the Deputy Director of Finance. Continue to push for the supported living LD disinvestment programme to progress as quickly as feasible in consideration of staff and service users (8 monthly delay already anticipated to November 2017 on full programme). This is predominantly the only risk resulting in the overall risk not being formally reduced at this time. Impact and loss resulting from the delay (LD disinvestment programme) needs to be incorporated into the risk share and contract discussions with the Local Authority.	30/09/2017 30/09/2017 30/09/2017 30/09/2017 30/09/2017

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Risk No. Risk Source BAF Risk	Lead Director	Details of Risk	Consequence	Likelihood	Current Score	CONTROLS IN PLACE	ACTIONS	TARGET DATE
						• Trust business planning cycle and processes. • Redeployment 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. • A number of exits were agreed via MARS which have underpinned numerous CIP schemes and have been more cost effective than redundancy and have facilitated redeployment. • Director of Finance holds meets with all designated budget holders to review current CIP plans and establish timeframes for mitigation plans.		

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Risk No. Risk Source BAF Risk	Lead Director	Details of Risk	Consequence	Likelihood	Current Score	CONTROLS IN PLACE	ACTIONS	TARGET DATE
						• Latest M4 reporting shows progress and confidence remains high with regards to the recurrent delivery of CIPS. Redeployment and Agency reduction groups continue to mitigate the residual risk of surplus staffing and exit costs, for which provisions remain.		
3718 Risk Assessment 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	• Outline plan agreed with the Council and the Board in January 2017. • All SCC contracts with novate across to sit under joint budget from the end of June 2017. • SCC contract monitoring meetings will be incorporated within the CCG Contract Monitoring Group, in line with joint commissioning arrangements.	Memorandum of Understanding has been reviewed by SHSC and is awaiting feedback from SCC. This has now moved on and is with SHSC Finance Department to ratify the revised wording and financial figures regarding pensions. Supply agreement is with solicitors for final sign off. It has now been agreed between the SCC legal team and SHSC Head of Contracts that the Supply Agreement now needs to reference the associate relationship with the Sheffield CCG Contract to March 2019. The Supply Agreement is now being re-drafted by the Head of Contracts to ensure this is action. Therefore the deadline needs to be revised to reflect these actions. Contract specifications to be ratified by directorate leads, prior to inclusion within the contract. The contract specification is now in the final stages of ratification.	31/10/2017 31/10/2017 31/10/2017

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Risk No. Risk Source BAF Risk	Lead Director	Details of Risk	Consequence	Likelihood	Current Score	CONTROLS IN PLACE	ACTIONS	TARGET DATE
							Proposal regarding staffing ratios and finances for 2017/18 has been received by SHSC and currently under review. Delay to this action are as a result of the CMHT reconfiguration whereby the establishment and associated costs of the social workers within the teams are being ratified with SHSC Directorate Heads and SCC colleagues.	31/10/2017
3831 Risk Assessment		Risk that high levels of staffing vacancies will impact on the quality of service provided to service users on the acute and rehabilitation wards.	4 Major	3 Possible	12	• Microsystems process focussing on nursing recruitment • Consultant telephone cover available where unable to attend ward • Section 17 leave requests covered by email from Consultant (on occasion) with insight note reviews for agreement • Locum consultant identified to cover Burbage from Monday 24th July until 9th September.	Joint recruitment processes being undertaken by wards Block booking bank or agency staff to be considered to cover extended periods Creative ways of filling vacancies being explored e.g. using qualified staff from other professions Potential staff redistribution amongst teams being considered.	31/10/2017 31/10/2017 31/10/2017 31/10/2017
3439 Risk Assessment 1.1	Executive Director Of	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	4 Major	4 Likely	16	• 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	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 agreed between SHSC and SCCG and MPs	31/12/2017

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Risk No. Risk Source BAF Risk	Lead Director	Details of Risk	Consequence	Likelihood	Current Score	CONTROLS IN PLACE	ACTIONS	TARGET DATE
	Finance	temporary staff can impact on the quality of service provision and its delivery.				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 manage the situation. • New group practice manager recruited. • Strengthening of clinical leadership with a greater spread of ownership across site leads.	and subject to a six-monthly review. Proposals for re-designed clinical accountability are being prepared by Clover SMT to present to JEB, strengthening shared accountability and removing responsibility for a single individual.	31/12/2017 06/09/2017
3679 Risk Assessment 1.4	Medical Director	Risk of harm to service users via ligatures.	5 Catastrophic	3 Possible	15	• Service user individual risk assessments. • Annual formal ligature risk assessments. • Weekly Health and Safety checks. • Reviews following ligature incidents.	As part of the service redesign ensuring that all environments meet the agreed the specification for reduced fixed ligature points. All staff to receive update information session with regard to revised observation policy as part of implementation following sign off.	28/09/2017 30/11/2017

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Risk No. Risk Source BAF Risk	Lead Director	Details of Risk	Consequence	Likelihood	Current Score	CONTROLS IN PLACE	ACTIONS	TARGET DATE
						• 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. • Observation policy in place with IT solution in operation. Gap in Assurance: policy should have been reviewed in 2014. Wholesale review currently being undertaken.	Ensure full implementation of new observation policy.	30/11/2017
3788 Risk Assessment 1.4	Executive Director	Breach of EMSA.	4 Major	3 Possible	12	• EMSA lead for wards. • Effective ward management. • Bed management. • Estates work.	Work to implement single sex accommodation at MCC (i.e. Stanage and Burbage become single sex wards) to be completed November 2017 Finalise plans for work to Dovedale ward at MCC to make it EMSA compliant and	30/11/2017 28/02/2018

PUBLIC BOARD RISK PROFILE

Risk No. Risk Source BAF Risk	Lead Director	Details of Risk	Consequence	Likelihood	Current Score	CONTROLS IN PLACE	ACTIONS	TARGET DATE
	Of NPCS					• 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. • Continue to reinforce recording and reporting and continue with regular EMSA reviews of environments.	complete work by Feb 2018	28/02/2018