Medical Director

NHS GREATER GLASGOW
RISK MANAGEMENT STRATEGY

Recommendation:

Members are asked to approve the attached Draft Risk Management Strategy.

Background

The Risk Management Steering Group (RMSG) was established as a sub group of the Corporate Management Team (CMT). Its membership consists of a sponsor Director from the CMT, a risk management lead from each division and a risk management adviser from each division and it is chaired by the Medical Director. A remit for the RMSG was approved by the CMT. The RMSG met for the first time in October 2004 and monthly thereafter.

A working group of the RMSG was established consisting of the risk managers from each division supported by Alan Gray of PricewaterhouseCoopers, the NHS Board's external Auditors. The prime function of the working group was to prepare a draft Risk Management Strategy and to develop the processes to create and sustain a corporate risk register.

Draft Risk Management Strategy

A draft Risk Management Strategy was prepared by the sub group and approved by the RMSG for issue for consultation to interested parties. The draft Strategy was then issued on 12 November 2004 to the Area Clinical Forum, Professional Advisory Committees, Executive Directors and senior managers at NHS Board and Divisions with a deadline of 12 January 2005 for responses.

Comments were received from the following individuals and groups.

1. Acting Director of Health Promotion
2. Consultant Midwife and Supervisors of Midwives across NHS Greater Glasgow
3. South Glasgow Divisional Risk Management Steering Committee
4. North Glasgow Divisional Risk Management Committee
5. Primary Care Directors and other Senior Managers
6. Area Clinical Forum
7. Area Medical Committee
8. Area Nursing and Midwifery Committee
9. Area Allied Health Professionals Committee
10. Area Dental Committee

These comments were all supportive of the draft Strategy and some offered some suggestions for change. The RMSG met on 13 January 2005 to consider the results of the consultation and agreed some amendments to the draft Strategy to reflect comments made.

The revised document was considered and endorsed by the NHS Greater Glasgow Audit Committee on 25 January 2005 and is attached as an appendix to this paper. **Members are asked to approve the draft Risk Management Strategy.**

**Further Action**

The working group will develop a further action plan to ensure that if approved by the NHS Board, the Risk Management Strategy is implemented consistently across NHS Greater Glasgow.

In addition, the working group continues in its work to prepare the processes required to develop and maintain the Corporate Risk Register.

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Risk Management Strategy

Supported by
Greater Glasgow Primary Care Division
North Glasgow University Hospitals Division
South Glasgow University Hospitals Division
Yorkill Hospitals Division
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Glossary of Terms

**Assurance.** Stakeholder confidence in our service gained from evidence showing that risk is well managed.

**Healthcare Governance.** The system by which NHS Greater Glasgow is directed and internally controlled to achieve objectives and meet the necessary standards of accountability, probity and openness in all three areas of clinical, corporate and staff governance.

**Internal Control.** Corporate governance arrangements designed to manage the risk of failure to meet NHS Greater Glasgow’s objectives.

**Likelihood.** Chance of circumstances in question actually occurring.

**Near Miss.** An undesirable incident that by chance or design did not result in harm or loss.

**Occurrence Recording.** The system of reporting adverse events or near misses.

**Occurrence.** An adverse event or near miss.

**Partnership.** Way of working where staff at all levels and their representatives are involved in developing and putting into practice the decisions and policies which affect their working lives.

**Risk Assessment.** A process by which identified risks are quantified and evaluated to determine appropriate response.

**Risk Control Measure.** Something done to minimise risk to an acceptable level either by reducing the likelihood of an adverse event or the severity of its consequences or both.

**Risk Register.** A database of risks. Always changing to reflect the dynamic nature of our risks and our management of them. Its purpose is to help managers prioritise available resources to minimise risk to best effect and provide assurances that progress is being made.

**Risk Escalation.** The process of delegating upward, ultimately to the board, responsibility for the management of a risk deemed to be impossible or impractical to manage locally.

**Risk Management Principles.** Ideology for the implementation of risk management.

**Risk Management.** A positive process designed to systematically identify, evaluate, control and monitor risk in order to balance rewards from responsible risk-taking that might help us improve the quality of our services against those unacceptable risks that might threaten our ability to deliver quality services.

**Root Cause Analysis.** Structured techniques to establish the true systematic causes of an event as opposed to its apparent causes.

**Significant Risk.** Broadly, any risk that could adversely affect achievement of NHS Greater Glasgow's objectives or present a large loss with no clear opportunity for control.

**Statement of Internal Control.** A statement by the accountable officer within the published Annual Report, required by HDL(2002)11, on the effectiveness of NHS Greater Glasgow's systems of internal control, for which risk management is a key component.
1. Why is Risk Management so important to us?

NHS Greater Glasgow aims to provide high quality and safe services to the public it serves in an environment which is also safe for the staff it employs or contracts with to provide services.

In fulfilling this aim, NHS Greater Glasgow will establish a robust and effective framework for the management of risk, one that is proactive in understanding risk, builds upon existing good practice and is integral to all our decision making, planning, performance reporting and delivery processes.

The strategy is predicated on the belief that Risk Management is:

- An important activity to ensure the health / well being of patients, staff and visitors.
- An inclusive and integrative process covering all risks, set against a common set of principles.
- Best implemented where good practice is acknowledged and built upon.
- A major corporate responsibility requiring strong leadership and regular review.

We believe that the provision of high standards of health, safety and welfare within a risk management framework is fundamental to the provision of high standards of health care.

To fulfil this requirement we will:

- Develop a just culture, which secures the involvement and participation of all staff in risk assessment and incident reporting.
- Implement measures to systematically identify and control risk as an effective approach to the prevention of injury, ill health and loss.
- Secure the commitment of management at all levels to promote risk management and provide the necessary leadership and direction.
- Adopt common standards throughout NHS Greater Glasgow to provide and maintain robust systems to ensure compliance with relevant statutory requirements.
- Monitor and review risk management performance at a Corporate and Divisional level against agreed standards to ensure that corrective action is taken where necessary.
- Ensure that there are processes to facilitate the systematic recording and reporting of incidents and 'near misses' to minimise the risk of recurrence. The reporting mechanism will focus on systems more than individuals and cover clinical and non-clinical incidents.
- Recognise the contribution of all staff to ensure their involvement and participation in the overall risk management process.
- Have in place effective systems of communication to ensure the dissemination of information on risk management matters within Divisions and across NHS Greater Glasgow.
- Secure the provision of resources, facilities, information, training, instruction and supervision to meet these objectives.
2. What is the Purpose of the Risk Management Strategy?

NHS Greater Glasgow recognises the success of different arrangements developed for managing risk over the last few years in each of the predecessor Trusts and aims to build on the existing framework in existence at a Divisional level and develop a common set of standards and principles to underpin risk management across the single system.

This strategy thus affirms NHS Greater Glasgow’s commitment to improve its capability to manage risk. By tackling risk in the systematic way described in this strategy we can drive continuous improvement and have a positive impact on the quality of care, our staff and the efficiency of NHS Greater Glasgow.

This strategy also formalises risk management responsibilities and sets out how the public may be assured that our risks are managed effectively and accordingly, represents a major element of NHS Greater Glasgow’s healthcare governance arrangements.

The following principles underpin our approach to risk management in NHS Greater Glasgow and are relevant to all Divisional Management Teams.

<table>
<thead>
<tr>
<th>Table 1: Guiding Risk Management Principles</th>
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<tbody>
<tr>
<td>1. Founded on adopting a Pan Glasgow approach</td>
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<td>2. Incorporates clinical and non clinical risk</td>
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<td>3. Is comprehensive and integrated</td>
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<td>4. Supported by clear processes for escalation of risk</td>
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<td>5. Only exceptional risks advance to the Corporate Register</td>
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<td>6. Integral to the business agenda and informs performance review</td>
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<td>7. Provides assurance that effective systems are in place</td>
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3. What do we want the Strategy to Achieve?

The overall goal of risk management is to have an environment where we understand the risks we face and eliminate or control them to an acceptable level, by creating a culture founded upon assessment and prevention of risk. To realise this goal, this strategy seeks to achieve the following objectives.

<table>
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<tr>
<th>Table 2: Key Strategic Risk Management Objectives</th>
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<tr>
<td>It is our aim that the effective management of risk within a common set of agreed principles will</td>
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<tr>
<td>1. Be integral to all our decision making, planning, performance reporting and delivery processes.</td>
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<td>2. Be devolved to Divisions within a supportive common framework.</td>
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<td>3. Improve the quality of patient care by preventing or reducing harm or potential harm to patients.</td>
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<td>4. Minimise liabilities in the event of an harm to a patient, visitor or member of staff.</td>
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<td>5. Improve the safety and quality of the working environment for the benefit of all staff</td>
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<td>6. Ensure stakeholders are kept informed of the developing Risk Management process.</td>
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4. Responsibilities

4.1 Overall Organisational Arrangements

Governance

The Board is a board of governance and corporately responsible for owning NHS Greater Glasgow’s risk management strategy and ensuring that significant risks are adequately controlled. To support the Board a number of formal committees have an interest in various aspects of risk management in NHS Greater Glasgow – principally these are the Performance Review, Audit, Staff and Clinical Governance Committees. Their respective risk management roles are described in the diagram below.

The Governance Fora will provide the independent challenge and assurance on the arrangements at Divisional level to the Board and its Committees.

The combination of these arrangements will ensure that from a governance perspective there is a clear focus on both the corporate and divisional risk management processes.

Executive and Divisional Management

Whilst the Chief Executive has overall accountability for risk management across NHS Greater Glasgow, the Corporate Management, together with the Divisional Management Teams are tasked with the unambiguous lead role to co-ordinate, integrate, oversee and support the risk management agenda and provide assurances to the Board (and its Committees) that all significant risks are adequately managed and the risk management principles are embedded across NHS Greater Glasgow.

It will be the responsibility of each Divisional Management Team to implement local arrangements which accord with the principles and objectives set out in this strategy.

To support the Corporate and Divisional Management Teams in the development of risk management arrangements within NHS Greater Glasgow, a Risk Management Steering Group has been established to provide technical and professional advice which reports to the Corporate Management Team.

4.2 Roles and Responsibilities

All members of the Corporate Management and Divisional Management Teams will have risk management responsibilities defined in their objectives. This will include the identification, assessment and analysis of risks and action plans to eliminate or minimise the impact of known risks.

Within each Divisional Management Team individuals may also be nominated to lead and co-ordinate particular elements of the risk management process and to work with colleagues and the local risk management advisors to develop and implement agreed actions.

All managers across NHS Greater Glasgow have a responsibility to ensure that their staff are familiar with the latest risk management guidance and controls.

All staff have a part to play, particularly in identifying and assessing risk. Staff will be actively encouraged to report all accidents, incidents and untoward occurrences, including ‘near misses’. In order to ensure full reporting of incidents, a ‘just culture’ will be operated within which staff are free to report on incidents and concerns in the knowledge that they will be supported.
4.2 Roles and Responsibilities (continued)

The delivery of NHS Greater Glasgow’s objectives increasingly relies upon effective cooperation, partnerships and joint working with partner agencies such as Local Authorities, Universities and the Voluntary Sector and independent contractors such as GP's, Dentists, Community Pharmacists and Opticians. NHS Greater Glasgow commits to minimise any risk by ensuring:

- All Departments manage risk in partnership with partner agencies and contractors;
- An adequate risk management framework is incorporated as part of the governance arrangements for joint management and partnership agreements;
- Common objectives are agreed with partner agencies, contractors and the voluntary sector.

**Responsible for ensuring that all significant risks are adequately managed**

- **NHS Board**
  - Responsible for ensuring that all significant risks are adequately managed

**Performance Review Group**
- Reporting on RM performance and key risks to the Board, in conjunction with CMT

**Corporate Management Team**
- CMT responsible for leading implementation, resourcing and performance management of risk management.
- Maintaining Corporate Risk register and dealing with escalated risks. Ensuring governance standards met

**Audit Committee**
- Scrutinise effectiveness of RM arrangements

**Clinical Governance**
- Scrutinise effectiveness of clinical risk and patient safety matters

**Staff Governance**
- Staff matters, occupational safety, H&S, environmental matters

**Risk Management Steering Group**
- Provision of technical and operational advice to CMT and Divisional Management Teams.
- Development and consultation of NHSGG risk management strategy and practice and corporate risk register.

**North Glasgow Division**
- Locally Determined Arrangements
- Line Management

**South Glasgow Division**
- Locally Determined Arrangements
- Line Management

**Primary Care Division**
- Locally Determined Arrangements
- Line Management

**Yorkhill Division**
- Locally Determined Arrangements
- Line Management

**Operational functions of HQ**
- Locally Determined Arrangements
- Line Management

Default responsibility for implementation of the risk management framework and application of risk management principles. I.e risk assessment, occurrence recording and investigation, implementing risk registers and ensuring risk competencies.
4.3 Learning and Development

To achieve the objectives of this strategy, focused and effective learning and development interventions are essential to achieve:

- A workforce with the competence and capacity to manage risk and handle risk judgements with confidence
- An organisational focus on identifying malfunctioning systems rather than people
- Organisational learning from adverse events.

Accordingly, plans will continue to be developed to promote risk management learning and development across NHS Greater Glasgow.

4.4 Provision of Support and Information

The availability of timely and accurate risk information is necessary for the implementation of this strategy. Accordingly, NHS Greater Glasgow will:

- Support the development of local systems to support risk assessment, identification and the sharing of lessons as an integral part of performance monitoring;
- Develop relevant policy and guidance and ensure that it is kept up to date and remains easily accessible;
- Put in place effective systems of communication to make sure everyone in the organisation is sufficiently informed about risk management;
- Promote continuous improvement and the sharing of good practice.
NHS Greater Glasgow Risk Management Strategy

5. What is our Approach to Risk Management?

NHS Greater Glasgow is a large, diverse and complex organisation where our Divisional Management Teams and staff already manage risk as an integral part of what they do every day. A universal prescriptive method to manage risk would therefore be inappropriate. Instead, Divisional Management Teams managing risk in a way that best suits their existing style and arrangements should be able to demonstrate that they are managing risk in a consistent manner through the adoption of the guiding principles and general approach described in this strategy. This will ensure that common standards for the management of risk apply across NHS Greater Glasgow and support the assurance and business requirements of the NHS Greater Glasgow Board and Corporate Management Team. The key components of the risk management framework are noted below:

5.1 Risk Identification

NHS Greater Glasgow aims to minimise the likelihood and severity of risk events by the recording of all occurrences or near misses through Occurrence Recording systems implemented within each Division. It is the responsibility of management within each Division to encourage staff to report occurrences that could pose a hazard or threat to people or the provision of services and thus enable improvements to be identified, prioritised and implemented. Recording and analysis processes will made available to support local data entry, with the overall aim of shared learning across NHS Greater Glasgow. In addition to risks identified through integrated reporting systems the Divisional Management Teams will also be required to regularly ‘horizon scan’ to identify risks by looking forward to tomorrow’s threats as part of the development of the Divisional Risk Register.

5.2 Risk Assessment

All risks shall be assessed using a standard classification matrix which will be applied consistently across NHS Greater Glasgow. This will involve the assessment of risk in terms of the consequences and the likelihood of occurrence.
5.3 Risk Registers

Each Division will be responsible for maintaining its own **Divisional Risk Register**. The risk register will be used by each Divisional Management Team to inform priorities for the local implementation and monitoring of agreed mitigating controls. Each risk will be allocated a risk owner(s) allocated who will be responsible for taking appropriate action to minimise its impact. Review of the Divisional risk register will be a standing Divisional Management Team agenda item that will help inform planning, management decisions and priorities. Divisional Management Teams will be expected to regularly review and update their risk registers.

The NHS Greater Glasgow Corporate Management Team will be responsible for maintaining a **Corporate Risk Register** which will record and report on action being taken to manage the strategic risks facing NHS Greater Glasgow. The risks included on the Corporate Risk Register will be informed by the escalation procedures noted below, as well the collective input of the Corporate Management Team and NHS Greater Glasgow Board.

5.4 Risk Action Plans

All risks identified within the Divisional and Corporate Risk Register will require to have a supporting action plan which will ensure that the risk is managed to an acceptable level. It will be the responsibility of the Divisional Management Teams and Corporate Management Team to determine the most appropriate form of action and to allocate responsibility for implementation to an appropriate individual(s).

5.5 Risk escalation

If significant risks have been identified that are deemed impossible or impractical to manage at a Divisional Management Team level, then they should be flagged for consideration by the Corporate Management Team for inclusion in the NHS Greater Glasgow Corporate Risk register. In the absence of such escalation, the responsibility for the management of risks remains with the Divisional Management Teams. Within Divisions, similar escalation arrangements will be implemented to ensure that significant risks are highlighted for inclusion within Divisional Risk Registers where this is deemed appropriate.

**Table 3: Nature of Risks which may need to be Escalated**

- Significant threat to achievement of health plan objectives or targets
- Assessed to be a substantial or intolerable risk
- Widespread beyond local area
- Significant cost of control far beyond the scope of budget holders
- Potential for significant adverse publicity
5.6 Assurance on the Effectiveness of Key Controls

As a result of the devolved accountability to Divisions for all operational matters within NHS Greater Glasgow, the Board requires assurance that local systems are capable of identifying their objectives and managing the risk to their achievement. To assist the Board meet its governance requirements in respect of the management of risk, the Divisional Governance Forums will independently challenge the effectiveness of the risk management processes at a divisional level and provide assurance to the NHS Greater Glasgow Audit, Staff and Clinical Governance Committees.

The Corporate Management Team and Performance Review Group will evaluate assurances for the most significant and widespread risks contained within the NHS Greater Glasgow corporate risk register and regularly report their findings to the Board. This would include a view on NHS Greater Glasgow's ability to meet its objectives. This will ensure that risk management becomes firmly embedded as a Board responsibility and that assurances can be provided both at a Divisional and Corporate level on the overall effectiveness of the risk management processes across NHS Greater Glasgow.

To provide confidence to patients, staff and the public that this is the case, NHS Greater Glasgow will publish within its annual financial accounts a Statement of Internal Control commenting on the effectiveness of the risk management arrangements.