HIF Board of Directors
Tuesday 21st February 2023
Risk Management Update and Policy Paper

Agenda Item Number:		12
Presented for:	Approval	
Report of:	Risk Management Update	
Author (s):	Quality & Governance Leads	
Report History:	None	
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List of HIF's Objectives	
1. Delivering safe, efficient ,compliant, responsive and outstanding quality services	**X**
2. Being well led and financially sustainable	
3. Embedding Business Modernisation and service development throughout the Company	
4. Growing our future Business Development opportunities	
5. Being an employer of choice, developing our staff, being an outstanding place to work and delivering our services with pride	
6. Delivering our services sustainability, minimising our impact on the environment	

Recommendation:
The Board is asked to consider and approve and ratify the HIF Risk Management Policy.

HIF Risk Management

1.   Review of Risk Management and Development of Policy

1.1.   At the last Board of Directors meeting in December 2022, we reviewed the current Risk Management processes and structures for HIF. Following that meeting, work has been undertaken to review HIF's approach to Risk Management.

1.2.   The Company has recently undertaken an internal review of the risk management position. Following the discussions at Board of Director's meetings and an Internal Audit Review, a Risk Management Project Team and action plan developed.

1.4.   As part of this approach, it was noted that the current Risk Management policy required a substantial review and a new policy developed, attached at **Appendix A.**

1.5.   It is noted that the revised Risk Management Policy has been approved at the HIF Policy Group and requires additional approval by the Board of Directors.

2.   Recommendation

2.1.   The Board is asked to approve and ratify the HIF Risk Management policy as attached at **Appendix A.**

Appendix A - RISK MANAGEMENT POLICY

RISK MANAGEMENT POLICY

Version	Date	Purpose of Issue/Description of Change	Review Date
1.0	February 2023	HIF-authored policy developed	February 2023

Status	Open
Publication Scheme	Available – Our Policies and Procedures
FOI Classification	Release without reference to author
Document Type	Policy
Key Words	Risk, Incident, Learning, Register, BAF, Board Assurance Framework, Safety, PSIRF
Executive Lead	Deputy Director of Estates and Facilities
Policy Lead	Quality & Governance Lead
Author	Quality & Governance Lead
Governance Group	Senior Management Team

Approval Body	Senior Management Team	**Date/s**
Review Date	February 2026	

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1. PURPOSE

Harrogate Integrated Facilities (HIF) acknowledges that some of its activities will unless properly controlled, create organisational risks and/or risks to staff, patients, colleagues and others. This document sets out the governance structures in place to ensure that risks are managed and escalated through the appropriate HIF channels.

The overall purpose of the risk management policy is to:

a) Reduce the level of exposure to harm for patients, staff or visitors by proactively identifying and managing personal risk to a level that is as low as reasonably practicable
b) Promote success and protect everything of value to HIF, such as high standards of a safe working environment, HIF's safety record, reputation, community relations, equipment or sources of income
c) Continuously improve performance by proactively adapting and remaining resilient to changing circumstances or events.

2. BACKGROUND/CONTEXT

Risk management is the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects in order to improve the health and wellbeing of patients, service users and staff alike. Through the risk management process the Board of Directors is informed of the significant risks that face the organisation. Significant risks are defined as "risks that are significant to the fulfilment of the (organisation's) strategic ambitions".

The Board of Directors recognises that risk management is an integral part of good management practice and to be most effective it must be part of HIF's culture. The Board is, therefore, committed to ensuring that risk management forms an integral part of its philosophy, practices and business plans rather than it being viewed or practised as a separate programme; and that responsibility for its implementation is accepted at all levels of the Company.

Good risk management awareness and practice at all levels is a critical success factor for a Company, such as HIF. Risk is inherent in everything that we do. HIF will ensure that decisions made on behalf of the Company are taken with consideration to the effective management of risks.

The aim of this Risk Management Policy is to provide a clear risk management framework that ensures:

- Integration of risk management into activities across the Company as well as into policy making, planning and decision making processes;
- Chances of adverse incidents, risks and complaints are minimised by effective risk identification, prioritisation, treatment and management
- A risk management framework is maintained, which provides assurance to the Board that strategic and operational risks are being managed
- Risk management is an integral part of HIF culture and encourages learning from incidents
- Risk associated with the health, safety and wellbeing of staff, fraud, project and programme management and information security are minimized
- HIF staff, reputation, finances and business continuity are protected through the process of risk identification, assessment, control and mitigation.

This policy represents a dynamic approach to the management of all risks.

3. DEFINITIONS

- **Board Assurance Framework:** A document which records the threats to the strategic objectives or ambitions (goals) of HIF.
- **Operational Risk:** The risk of loss or gain, resulting from inadequate or failed internal processes, people and systems or from external events
- **Control:** Measure to mitigate or fully address the cause of the risk
- **Risk:** Effect of uncertainty on objectives
- **Corporate Risk Register:** The document which records the most serious operational risks faced by HIF
- **Risk acceptance:** Informed decision to take a particular risk
- **Current risk score:** Current risk. The risk score remaining after risk treatment
- **Risk analysis:** Process to comprehend the nature of risk and to determine the level of risk
- **Exposure:** Extent to which HIF is subject to an event
- **Risk appetite:** Amount and type of risk HIF is prepared to seek, accept or tolerate
- **Further Mitigating Actions:** Actions required to address gaps in control
- **Risk assessment:** Overall process of risk identification, risk analysis and risk evaluation
- **Gaps in Control:** Missing controls or weaknesses in identified controls
- **Risk tolerance:** The range of risk score HIF will accept within the risk appetite category
- **Hazard:** Anything that has potential for harm
- **Risk avoidance:** Decision not to be involved in, or to withdraw from, an activity based on the level of risk
- **Incident:** Event in which a loss occurred or could have occurred regardless of severity
- **Risk management:** Coordinated activities to direct and control the Company with regard to risk
- **Initial risk score:** The risk score prior to any mitigating action
- **Risk owner:** Person or entity with the specific accountability and authority for managing the risk and any associated risk treatments
- **Near Miss:** Operational failure that did not result in a loss or give rise to an inadvertent gain
- **Target risk score:** The score at which the risk becomes acceptable

4. POLICY EFFECT

The organisational structure is supported by the Risk Management Framework. This enables HIF to monitor and address the strategic risks that would prevent HIF achieving its strategic aims and business plan objectives, it sets out the controls (or the ways the risks are being mitigated), and the sources of assurance that those controls are effective. As well as setting out the treatment plans for those risks that require action to bring them within the risk appetite where possible.

Risks are linked to the Company's objectives and strategic aims, which exist at different levels:

- Strategic risks – risks that affect HIF's ability to deliver the strategy or function as an Company as a whole

- Operational Risks – risks that affect the delivery of HIF's business plan or common team risks that require a corporate response
- Directorate, Department, Specialty risks - risks that are related to the delivery of departmental and service operations and objectives
- Programmes and their project outcomes – risks associated with time limited activities and the medium- to long-term delivery of benefits.

HIF maintains a strategic risk (Board Assurance Framework or BAF), corporate operational and local department risk registers. These registers record non-project risks. All projects risks will be managed through the appropriate project boards with reporting and escalation through the change management governance process.

4.1. Risk Management Framework

The following section describes the steps in the process of identifying, assessing and managing risks in the Risk Management Process:

4.2. Identify - Risk identification:

When identifying a risk consideration should be given to what could pose a potential threat (or opportunity) to assets of the Company. Assets can be considered as:

- Information assets, as identified on the asset register
- Business processes, objectives and Key Performance Indicators
- Our staff

Risk, incidents and issues can often get confused and a useful way of remembering the difference is;

- Risks are things that might happen and stop us achieving objectives, or otherwise impact on the success of the Company
- Incidents are things that have happened, were not planned and require management action, must be reported as appropriate and where required in line with the Incident Reporting Policy and Procedure (using the Datix software)

- Issues are things that are happening, were not planned and require management action and will be monitored via our Business as Usual activities

Once identified, the risk needs to be described clearly to ensure the risk is understood.

Once identified and described the risk should be added to the local service risk registers and scored. On identifying the level of risk, any risks deemed as 'high', score of '9' or above will be recorded on the Company Corporate risk register.

4.3.   Recording risks - The risk register

The risk register provides a framework where risks that may be a threat (or opportunity) to the achievement of objectives are to be recorded. HIF has in place registers for departments/services, corporate operational and strategic risks (BAF)

The Department/services risk registers are recorded and managed via an electronic risk management system known as Datix. Within this system the following information is recorded:

- Risk ID – a unique reference number to identify the risk
- Risk title – describing the primary risk
- The date the risk was raised
- Controls – the actions in place currently to mitigate the impact or likelihood of the risk materialising
- Gaps in Control – the areas not currently controlled and which lead to the current risk rating
- Treatment plan – the actions which must be implemented to mitigate the impact or likelihood of the risk materialising
- Department – name of the department, speciality or directorate where the risk is
- Risk owner – who is responsible for overseeing the risk
- Risk type – workforce, operational, clinical, financial, external
- Initial risk rating
- Current risk rating
- Target risk rating

The Corporate Risk Register will be managed through the Datix system and available for access by Harrogate and District NHS Foundation Trust (HDFT). Additionally, HIF will share all risks with HDFT at the Organisation's Corporate Risk Review Group (monthly).

4.4.   Assess and evaluate - Risk assessment and evaluation

A risk assessment is a qualitative or quantitative evaluation of the nature and magnitude of the risk. The assessment is completed by scoring the likelihood of the risk occurring and the impact on HIF. HIF's scoring matrix which are based on a scale of 1 - 5 and the risk rating matrix which gives the scoring a RAG status.

The risk evaluation involves making a decision about what should be done to manage the risk. It includes determining the appropriate controls and or treatments for the risk, and what level of risk can be tolerated within the Company's risk appetite.

- A Control is an existing strategy and process currently in place such as systems, policies, procedures, standard business processes, practices.
- A Treatment is an additional strategy/activity we need to develop and implement should the risk level be unacceptable after controls are applied.

Following the evaluation consideration on what to do with the risk is taken; this is the risk response:

Terminate	Where an activity or system gives rise to significant risk to HIF the activity will be carried out differently or ended hence the risk is no longer relevant.
Tolerate	Where it is considered that nothing more can be done at a reasonable cost to reduce the risk; or if the risk is low.
Treat	This is where action can be taken to reduce the impact or the likelihood of the risk identified
Transfer	HIF may on occasion transfer a risk to a third party potentially via business management arrangements or through risk pooling schemes.

4.5. Plan – Treatment plan

Where it has been considered the risk requires further action to reduce the likelihood and/or impact of a threat or maximise the likelihood of opportunities, a risk treatment plan should be devised.

The treatment plan must have an owner; it should be specific to the risk and SMART (specific, measurable, attainable, relevant and time bound) to evidence how the risk score can be reduced.

4.6. Monitor and review

The implementation of the risk action plan must be kept under review along with the risk score to measure its effectiveness. If the designated actions are not reducing the risk a new action plan should be considered. Once an action plan has been implemented the risk will be re-assessed and rescored and that treatment plan will become a control.

Reviews of the risk registers will be carried out in discussion with:

- Departments and Services – within the department/services and escalated through their department/service governance groups
- Corporate – with Senior Managers at Senior Management Team (SMT) on a monthly basis. It was also be reviewed at the Governance and Compliance Committee on a quarterly basis and Board of Directors on a bi-monthly basis.
- Strategic – with Executive Directors and escalated via the Integrated Board Report to the Trust Board and its Sub-Committees as a minimum on a bi- monthly basis

4.7. Frequency of review

The level of risk determines the minimum frequency for review:

- Low (Green) – once a quarter
- Medium (Amber) – Every other month
- High (Red) – Every month

5. ROLES AND RESPONSIBILITIES

5.1. Responsibility of the Board of Directors:

The Board of Directors is responsible for the effectiveness of internal controls – Estates,

Facilities, Sterile Services Department (SSD), financial, organisational and strategic. The Board is required to endorse an annual governance statement which records the stewardship of the Company to supplement the accounts. This statement will draw together statements and evidence reflecting the Company's systems and processes of governance and risk management.

5.2. Governance and Compliance Committee

The Governance and Compliance Committee is responsible for reviewing high scoring risks on HIF risk registers, identifying risks for escalation to the HDFT Corporate Risk Review Group and reporting to the Board of Directors. It is also responsible for ensuring appropriate training for managing risk registers effectively within the Company.

5.3. Responsibility of the Senior Management Team

The Senior Management Team (SMT) brings directors and senior managers together to operationally manage the Trust. SMT will oversee the work of its subgroups to ensure effective risk management.

5.4. Responsibility of Services/departments

Services/departments are responsible for the following, by appointing staff to undertake specific roles where appropriate:

- Ensuring that appropriate and effective risk management processes are in place within their designated area(s) and scope of responsibility; and that all staff are made aware of the risks within their work environment and of their personal responsibilities.

- Implementing and monitoring any identified and appropriate risk management control measures within their designated area(s) and scope of responsibility.

6. EQUALITY ANALYSIS

6.1. Equality Impact Assessment

This policy has undergone Stage 1 Equality Impact Assessment screening.

This policy does not require a full Stage 2 Equality Impact Assessment screening as it is judged that the consequences of the policy do not differ according to any person's racial group, their disability, gender, age, sexual orientation, or religious belief, for example
The Company is committed to creating a culture that fully respects equality and diversity and aims to ensure that all its services are accessible, appropriate and sensitive to the needs of the whole community. It believes in fairness, equity and above all values diversity in all its dealings, both as a provider of health services and an employer of people.

This policy has been developed to reinforce the Company's vision in this respect and to give direction for the pursuit of the highest standards of equality and diversity in all our services. This policy reflects the following:-

- opportunities for employment, promotion, training and development are open to all on an equal basis;
- access to services are sensitive to individual needs irrespective of colour, disability, ethnic origin, age, gender, illness (such as HIV/Aids), marital status, nationality, race, religion, sexual orientation and social background;

- all future service developments take into account the needs of all groups within the community;
- patients, staff, volunteers and all other service users and providers are treated with dignity and respect;
- every member of staff has a role to play in recognising and respecting equality and diversity in others;
- staff are able to carry out their duties effectively without fear of discrimination, harassment or bullying of any kind;
- The Company will continue to embed its equality and diversity values into all of its policies, procedures and everyday practice, so that equality and diversity is the norm.

7. CONSULTATION, REVIEW AND COMMUNICATION

As part of the development and review process of this policy the following consultation was undertaken:

- Policy Review Group
- Senior Management Team
- Board of Directors
- Governance and Compliance Committee

In order to ensure full communication of this policy, as well as taking this document for review and discussion at the above meetings. A full training and communication package will be developed for all updates to this document.

8. MONITORING COMPLIANCE AND EFFECTIVENESS

Policy element to be monitored	Standards and Performance Indicators	Process for Monitoring	Individual or Group Responsible for Monitoring	Frequency or monitoring	Responsible individual or group for development of action plan	Responsible group for review of assurance reports and oversight of action plan
Board Assurance Framework	Monthly reviewed at Board of Directors Bi-Monthly at Governance and Compliance Committee	Audit of Minutes and Action Logs	Governance and Compliance Lead	Annual	Governance and Compliance Lead	Board of Directors
Company Risk Register	Monthly reviewed at Board of Directors, Senior Team Meeting Bi-Monthly at Governance and Compliance Committee	HIF Integrated Board Report (IBR) and Audit of Minutes	Governance and Compliance Lead	Annual	Governance and Compliance Lead	Board of Directors