

Risk Management Strategy

2025-2028



Building healthier, happier, fairer lives

Achieving our strategic objectives
through a culture of continuous
improvement



We are very proud to introduce our 2025-28 Risk Management Strategy, which presents an opportunity for our Group to set out its plans to further develop an area of key strategic importance for us. The overall objective when our Group was formed was to empower us in making an even bigger difference to our patients, our city and the wider health and research community. In this enhanced role as an anchor institution, we want to ensure that we are delivering our ambitious objectives and having the greatest impact possible on the lives of our communities.

As the largest employer in Liverpool City Region, the Group accepts it carries a number of risks. These risks have the potential to cause harm to patients, staff and visitors, and loss to its assets and reputation if not properly managed and controlled. Given the nature of the services provided by the Group, some risks may never be totally mitigated.

A key focus of the Risk Management Strategy is to ensure that the essential, sound systems and processes for the management of risk are in place at all levels. These will seek to, so far as is practicable, mitigate risk to its lowest level, and reduce the consequence of those risks that cannot be eliminated to an 'acceptable level'.

A handwritten signature in black ink that reads "James". The signature is fluid and cursive, with a large, stylized 'J'.

James Sumner
Chief Executive

Aims and Objectives

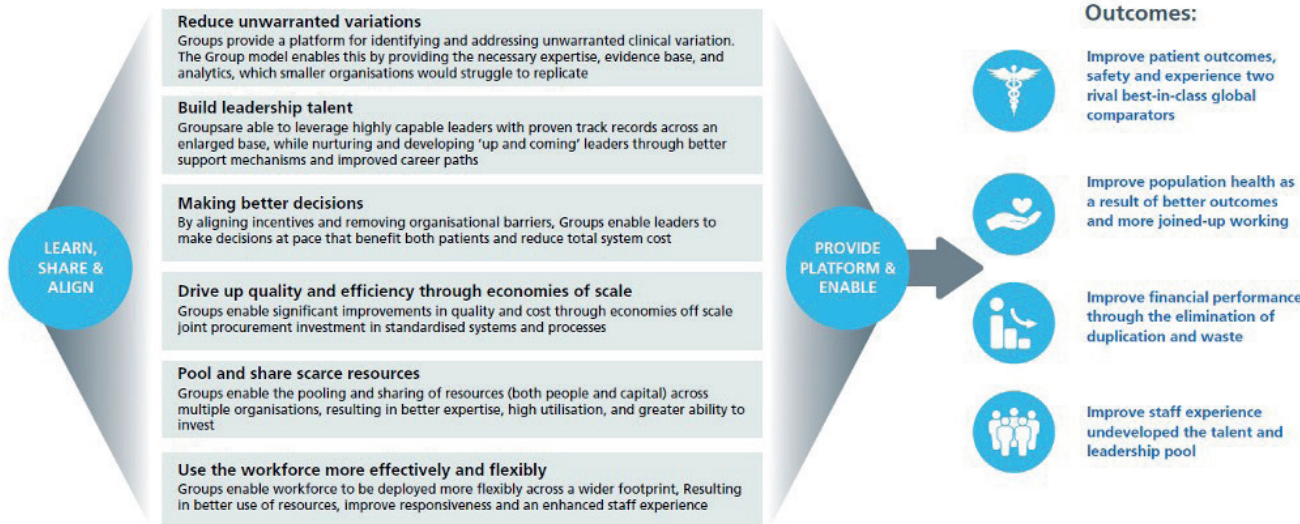
A dynamic approach to risk management for a dynamic organisation

Liverpool University Hospitals NHS Foundation Trust (LUHFT) and Liverpool Women's Hospital NHS Foundation Trust (LWH) have come together to form NHS University Hospitals of Liverpool Group (UHLG). Coming together under a group model has been a natural progression for the individual Trusts that make up the Group.

It enables us to build upon existing leadership arrangements and operate as a stronger organisation with greater oversight of risks and issues, whilst maximising opportunities to manage our resources, retain talent and attract research income.

Each hospital will continue to retain its own unique character, whilst taking a united approach to delivering safe, effective and compassionate care. Each will have its own Hospital Leadership Team that reports into one Group Executive Team.

There are numerous proven benefits to the group approach for both patients and colleagues, including:



Since its inception, the Group has been working to embed a single risk management culture that supports this journey. A unified approach across all hospitals introduced a common language including a single risk matrix, a single risk descriptor process and a unified risk management system.

The launch of this Strategy marks the start of an ambitious programme to enhance the Group approach to risk and build upon these foundations. It is supported by a Board level commitment to advocating for the importance of risk management and increased visibility of controls and assurance. This includes adoption across the Group of a revised risk scoring process that includes risk control scores.

The aim of this document is to facilitate a dynamic approach in which risk management drives all key decision making. This will enable the Group Board to be sighted on the highest level risks and to be assured appropriate mechanisms of control are in place at all levels.

The key objectives of the Risk Management Strategy are to provide a structure through which the Group can improve its levels of risk maturity.

Wider context - risk management challenges within healthcare

It is widely known that the NHS is facing unprecedented challenges in terms of rising demand on services, workforce challenges and increasing funding constraints. The scale and variety of the risks which the Group have to deal with makes risk management in a healthcare setting almost uniquely challenging.

External events have added to the volatility and complexity. As an organisation, the Group must carefully balance short-term demands with long-term preparedness, making tough choices and trade-offs with finite resources and capacity.

Robust and effective risk management is essential to achieving our ambitions and objectives and securing long-term value for money. This Strategy can lead to better service delivery and decision making, more efficient use of resources, and help to minimise waste, promote innovation and opportunity taking.

There are numerous challenges that potentially impact the way that risks are managed across the Group and that this Strategy seeks to tackle:

- Senior leaders need to understand the relationship between short-term efficiencies and long-term resilience so that attempted efficiencies in one area do not inadvertently increase risks in another.
- Senior leaders need to be clear on accountability for risks that are shared across hospitals or divisions. Effective risk management relies on identifying and managing risks that impact across departments –doing this well requires adherence to the Group rules of engagement and for quality data to be shared effectively. The Governance and Accountability Framework sets out the mechanisms for senior leaders to check the quality and viability of risk planning and mitigation strategies.

- Building capability and expertise is vital for the organisation to manage risks effectively.
- It can be difficult for the organisation to demonstrate the value of risk management: often this does not become apparent until something has gone wrong. Sound risk management will prepare the Group to respond more effectively to events as they occur, responding with our appetite and tolerance for risk front of mind.
- There are complex long-term challenges facing the Group and risk assessment must feed into funding decisions. Risk management helps organisations to make informed decisions leading to better value-for-money– not just in avoiding threats, but by being innovative in taking opportunities by making good spending decisions.
- The Group intends to deliver major change programmes over long periods of time. Risk management has a key role to play in critically examining and being realistic about delivery schedules to help identify when programmes are becoming increasingly challenging.

Our supporting Policy and Procedures will set out clearly how senior leaders and staff can begin to overcome these challenges and apply consistent, best practice methodologies.

Where do we want to be by 2028

The Liverpool Adult Acute and Specialist Providers (LAASP) joint committee, which is made up of Liverpool University Hospitals, Liverpool Women’s, The Clatterbridge Centre, Liverpool Heart and Chest and The Walton Centre, has been considering the best approach for hospitals to take in order to meet the challenges that we face within the system.

At the LAASP joint committee, the five Trusts agreed timescales to integrate our Trusts into one city-wide hospital group, as the direction of travel for the years ahead in terms of a safe and sustainable approach.

This decision is in line with the direction of travel nationally, regionally, and locally. Providers across the country are being encouraged to work together more closely, where it makes sense to do so, to better meet the needs of patients..

This Strategy sets out the direction we will pursue to embed a strong framework for effective risk management within the Group. In order to assess progress the Group has adopted the Alarm National Risk Management Performance Model. The Assessment Framework within the Alarm model sets out the levels of performance from Level 1 Engaging to Level 5 Driving. This flexible tool has been used previously by individual Trusts to monitor and evaluate performance in a systematic and structure way.

The initial assessment will draw on intelligence available from MIAA audits undertaken at individual Trusts. Following the initial assessment, a delivery plan will set out the Group’s current position in relation to the model and actions to progress through the outlined levels of maturity. The Group will assess its performance yearly against this framework and the delivery plan will be monitored by the Assurance and Risk Committee.

The Group intends to have achieved Level 5: Driving by the conclusion of this Strategy in 2028. This will position the Group as a regional, and national, leader in risk management.

The framework is set out in full below, but can be summarised within the following seven key questions:

Capabilities

- 1. Do the Group’s Executive, Hospital Leadership and Senior Management Teams support and promote risk management?
- 2. Are our staff equipped and supported to manage risk well?
- 3. Does the Group have a clear risk strategy and risk policy?
- 4. Does the Group have in place effective arrangements for managing risk with its partners within the Cheshire and Mersey health economy?
- 5. Does the Group’s process incorporate effective risk management?

Risk Handling

- 6. Are the Group risks handled well?

Outcomes

- 7. Does risk management contribute to the Group achieving its purpose of providing outstanding health care?

Alarm Risk Maturity Framework

	Leadership and Management	Strategy and Policy	People	Partnership, Shared Risk and Resource Processes	Processes	Risk Handling and Assurance	Outcomes and Delivery
Level 5: Driving	Senior management uses consideration of risk to drive excellence through the business, with strong support and reward for well-managed risk-taking	Risk management capability in policy and strategy making helps to drive organised excellence	All staff are empowered to be responsible for risk management The organisation has a good record of innovation and well-managed risk-taking Absence of a blame culture	Clear evidence of improved partnership delivery through risk management and that key risks to the community are being effectively managed	Management of risk and uncertainty is well-integrated with all key business processes and shown to be a key driver in business success	Clear evidence that risks are being effectively managed throughout the organisation Considered risk-taking part of the organisational culture	Risk management arrangements clearly acting as a driver for change and linked to plan and planning cycles
Level 4: Embedded	Risk management is championed by the CEO The Board and senior managers challenge the risks to the organisation and understand their risk appetite management leads risk managed by example	Risk handling is an inherent feature of policy and strategy making processes Risk management system is benchmarked and best practices identified and shared across the organisation	People are encouraged and supported to take managed risks through innovation Regular training and clear communication of risk is in place	Sound governance arrangements are established Partners support one another’s risk management capability and capacity	A framework of risk management processes in place and used to support service delivery Robust business continuity management system in place	Evidence that risk management is being effective and useful for the organisation and producing clear benefits Evidence of innovation risk-taking	Very clear evidence of very significantly improved delivery of all relevant outcomes and showing positive and sustained improvement
Level 3: Working	Senior managers take the lead to apply risk management thoughtfully across the organisation They own and manage a register of key strategic risks and set the risk appetite	Risk management principles are reflected in the organisation’s strategies and policies Risk framework is reviewed, develop, refined and communicated	A core group of people have the skills and knowledge to manage risk effectively and implement the risk management framework Staff are aware of key risks and responsibilities	Risk with partners and suppliers is well managed across organisational boundaries Appropriate resources in place to manage risk	Risk management processes used to support key business processes Early warning indicators and lessons learned are reported Clinical services supported through continuity plans	Clear evidence that risk management is being effective in all key areas Capability assessed within a formal assurance framework and against best practice standards	Clear evidence that risk management is supporting delivery of key outcomes in all relevant areas
Level 2: Happening	Board/Councillors and senior managers take the lead to ensure that approaches for addressing risk are being developed and implemented	Risk management strategy and policies drawn up, communicated and being acted upon Roles and responsibilities established key stakeholders engaged	Suitable guidance is available and a training programme has been implemented to develop risk capability	Approaches for addressing risk with partners are being developed and implemented Appropriate tool to are developed and resources for risk identified	Risk management processes are being implemented and reported upon in key areas Service continuity arrangements are being developed in key service areas	Soe evidence that risk management is being effective Performance monitoring and assurance reporting being developed	Limited evidence that risk management is being effective in, at least, the ost relevant areas
Level 1: Engaging	Senior management are aware of the need to manage uncertainty and risk and have made resources available to improve	The need for risk strategy and risk-related policies has been identified and accepted The risk management system may be undocumented with few formal processes present	Key people are aware of the need to understand risk principles and increase capacity and competency in risk management techniques through appropriate training	Key people are aware of areas of potential risk in partnership and the need to allocate resources to manage risk	Some stand-alone risk processes have been identified and are being developed The need for service continuity arrangements has been identified	No clear evidence that risk management is being effective	No clear evidence of improved outcomes

Risk Registers

A fundamental approach to our Board Assurance Framework and Risk Register

Risk Registers

The risk register is a log of all risks that threaten the organisation's success in achieving its declared aims and objectives. It is a dynamic database, which is populated through the organisation's risk management process and should be used by all Hospitals, Divisions and Corporate Functions.

Within the Group we hold our risk register on the Datix Risk Management module (LUHFT) and the Ulysses system (LWH). The risk register provides a structure for collating information about risks that help both in the analysis of risks and in decisions about whether or how risks should be managed.

It is our intention to procure a single risk management system for use across the Group. A single, consistent, comprehensive and effectively used risk register will not only drive effective risk management but will also ensure the Group can justify the decisions it has made and actions taken to mitigate its risks.

Board Assurance Framework (BAF)

The BAF is a structured means of identifying and mapping the main sources of assurance in an organisation and co-ordinating them to best effect. It provides the organisation with an improved ability to understand and confirm they have assurance over key controls or where control gaps exist, whether actions are in place to address these gaps.

The assurance mapping process identifies and records key sources of assurance that inform the Board members of the effectiveness of how key strategic risks are managed or mitigated, and if the key controls and processes that are relied on, to manage risks and as a result, support in the achievement of the Group's strategic objectives.

The BAF will be cross-referenced with the Group's operational risks and used to drive the Board agenda.

The BAF contains risks associated with the Group's agreed strategic objectives which have the potential to affect its need to maintain long term viability.

A comprehensive and effectively used risk register will not only drive effective risk management but will also ensure the Group can justify the decisions it has made and actions taken to mitigate its risks.

Risk Appetite

How is Risk Appetite set? What are our oversight mechanisms and how will we know how we are doing?

Risk Appetite

Risk appetite can be defined as the amount and type of risk an organisation is willing to take, in order to meet their strategic objectives. A range of appetites exist for different risks and these may change over time.

Risk appetite and tolerance will remain high on the Board's agenda during the course of the Strategy.

To ensure it remains a core element of ensuring an effective risk management process there will be an annual review. This will reflect the top-down commitment to well managed risk taking that exists.

The Board accepts that there is an element of risk in every activity it undertakes. The Board appetite for particular risk areas will depend on factors such as the likelihood of the risk occurring, the consequence of the risk (before and after

controls) and also the effects of the risk on the Group's strategic goals and initiatives should the risk materialise.

The Board will develop a risk appetite statement, which details its appetite for risk taking and tolerance and is mapped against the strategic objectives. This will actively help the Group achieve its goals and support its sustainability commitments.

Risk Management Oversight

The process for overseeing risk management is detailed in the Risk Management Policy and the accompanying guidance documents. The Audit Committees will, on behalf of the Board, assess the adequacy and effectiveness of the Group's systems of integrated governance, the internal control environment and risk management across the Group's activities. This will support the Annual Governance Statement.

The Assurance and Risk Committee supports the delivery of good risk management consistently across the Group. The Committee will ensure that risks are managed efficiently and effectively and will undertake a 'check and challenge' function rather than managing individual risks.

At the operational level, each hospital and corporate function will have in place a reporting structure responsible for overseeing the management of risks identified within their specialist areas.

These groups will follow the Group policy and ensure that risks are escalated for review and decisions about appropriate risk treatment where required. Support and training will be provided that supports staff to achieve this.

Inspection and Audit

Internal inspection and auditing processes are to be developed within the Group. This is to be undertaken at a Group, Hospital and Divisional level. The Strategy will support delivery of the aim to develop a risk management internal inspection and audit process that:-

- Shows compliance with the Risk Management Strategy, Policy and Procedures.
- Measures progress against the ALARM National Risk Management Performance Model.
- As far as practicable, to be integrated into the existing internal inspections and audit processes within the Group.
- Provides evidence risk management contributes to achieving outcomes.
- Provides clear feedback on what needs to improve and what is working well, at Divisional, Hospital and Group level.



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