

To:	Trust Board										
From:	Medical Director										
Date:	6 October 2011										
CQC regulation:	Outcome 16 – Assessing and Monitoring the Quality of Service Provision										
Title:	NHSLA ACUTE RISK MANAGEMENT STANDARDS ('ARMS') ASSESSMENT – DECEMBER 2011										
Author/Responsible Director: Risk and Assurance Manager/ Medical Director											
Purpose of the Report: This report provides the Trust Board with an overview of the UHL position with regard to the forthcoming NHSLA ARMS assessment in December 2011 and the strategic decision to undertake assessment at level1.											
The Report is provided to the Board for:											
<table border="1"> <tr> <td>Decision</td> <td></td> </tr> <tr> <td>Assurance</td> <td>X</td> </tr> </table>		Decision		Assurance	X	<table border="1"> <tr> <td>Discussion</td> <td>X</td> </tr> <tr> <td>Endorsement</td> <td></td> </tr> </table>		Discussion	X	Endorsement	
Decision											
Assurance	X										
Discussion	X										
Endorsement											
Summary / Key Points:											
<ul style="list-style-type: none"> UHL is required to undertake an assessment of compliance with the NHSLA Acute Risk Management Standards (ARMS) in December. A recommendation to undertake assessment at level 1 (with subsequent reduction of discount to contributions from 20% to 10%) has been endorsed by the Executive Team. It is anticipated that re-assessment at level 2 may be possible as early as December 2012. A number of lessons have been learned during the assessment preparations that will be reported to UHL Q&PMG. UHL is now preparing for assessment at ARMS level 1 in December 2011. 											
Recommendations:											
The Trust Board is invited to: Receive and note the content of this report reflecting the reasons for undertaking NHSLA ARMS assessment at level 1 in December 2011.											
Previously considered at another corporate UHL Committee?											
Yes – Executive Team											
Strategic Risk Register		Performance KPIs year to date									
No		No									
Resource Implications (eg Financial, HR)											
N/A											
Assurance Implications											
Yes											
Patient and Public Involvement (PPI) Implications											

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No
Equality Impact N/A
Information exempt from Disclosure No
Requirement for further review? No

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT TO: TRUST BOARD

DATE: 6 OCTOBER 2011

REPORT BY: MEDICAL DIRECTOR

**SUBJECT: NHSLA ACUTE RISK MANAGEMENT STANDARDS ('ARMS')
ASSESSMENT – DECEMBER 2011**

1. INTRODUCTION

1.1 This report provides the Trust Board with an overview of the UHL position with regard to the forthcoming NHSLA ARMS assessment and the strategic decision taken by the Executive Team to undertake an assessment at level 1.

2. BACKGROUND

2.1 The NHS Litigation Authority is a Special Health Authority formed to administer the Clinical Negligence Scheme for Trusts (CNST) and the Liabilities to Third Parties Scheme (LTPS) and Property Expenses Scheme (PES), together known as the Risk Pooling Scheme for Trusts (RPST). There are NHSLA risk management standards for each type of NHS healthcare organisation and assessment against the relevant standards is a mandatory requirement of scheme membership for most organisations.

2.2 Each member organisation pays an annual contribution to CNST (split into General and Maternity if applicable) based on their claims history and the level of risk associated with their clinical activities. In addition contributions are also made to the LTPS and PES. A scale of discounts to these contributions, ranging from 10 – 30% is applied dependant upon the organisation's level of compliance against the NHSLA 'ARMS'.

2.3 The progression through the levels is logical and follows the development, implementation and review of policies and procedures i.e.:

Level 1 - The process for managing risks has been described and documented (Policy).

Level 2 - The process for managing risks as described in the approved documentation at level 1 is in use (Practice).

Level 3 - The process for managing risks as described in the approved documentation at level 1 is working across the entire organisation. Where deficiencies have been identified, action plans must be drawn up and changes made to reduce risks (Performance).

2.4 Compliance is assessed across five standards:-

- Governance
- Competent and Capable Workforce
- Safe Environment
- Clinical Care
- Learning from Experience

Each standard contains ten criteria and to achieve compliance at any given level requires a minimum score of 40 out of 50 fully compliant criteria (scoring also a

minimum of 7 out of 10 in each standard). If an organisation fails to score 40 out of 50 fully compliant criteria it will drop from its current level to a lower level with a subsequent reduction to the discount.

- 2.5 Compliance at each level is awarded following external assessment by NHSLA Local Assessors the frequency of assessment being dependant upon the current level of compliance (every 2 years for level 1, every 3 years for levels 2 and 3).

3. CURRENT SITUATION

- 3.1 UHL is currently compliant with level 2 of the NHSLA 'ARMS' thus securing a 20% discount on its annual contribution to the NHSLA risk pooling schemes. The next mandatory assessment to assess UHL compliance against 'ARMS' is scheduled for the 5th and 6th December 2011.
- 3.2 As we move towards FT status the Trust has undergone significant organisational changes that have impacted on our ability to achieve compliance with a number of level 2 criteria.
- 3.3 An interim visit from the NHSLA assessment team during May 2011 further confirmed that the Trust may have difficulties in achieving compliance with NHSLA ARMS at level 2. It was recognised during this visit that since the previous level 2 assessment in 2008 the assessment process had become more robust as assessors became more conversant with the standards and it was apparent that there would be far more detailed examination of submitted evidence than previously experienced and our evidence base may be lacking. It was also noted that a number of policies / procedural documents did not describe processes in enough detail to meet the minimum requirements.
- 3.4 The view was therefore taken that it would be advantageous for the Trust to ensure that all policies and procedural documents were reviewed /revised to reflect the organisational changes and to undergo assessment at Level 1 in December 2011. This will ensure a firm foundation of policies and procedural documents that can be implemented across the organisation in readiness to undertake assessment at level 2 possibly as early as December 2012.
- 3.5 Some other Trusts where significant organisational change has taken place have also taken the decision to remain at or lower to level 1.

4. FINANCIAL CONSEQUENCES

- 4.1 The gross contribution for CNST (General), LTPS and PES (i.e. covered by NHSLA 'ARMS') for 2011/12 is £8,025,155. With a 20% discount applied for compliance at level 2 this equates to a net contribution of £6,420,124.
- 4.2 Contributions are paid quarterly and discounts to contributions are applied in the quarter immediately following an assessment, therefore the loss of discount by reducing to level 1 in December 2011 will be applied to the final quarter of 2011/12 and annually thereafter. The financial impact of this will be additional expenditure of £200,539 in the final quarter of 2011/12 and a full year effect in 2012/13 (based on current contribution rates) of an additional £802,156 however it must be noted that the 2012/13 effect will almost certainly be greater due to anticipated increases in contribution rates.

5. NEXT STEPS

- 5.1 The Risk and Assurance Manager has performed a review of the assessment preparation process and has identified a number of lessons that must be learnt in order to achieve continued progression through the NHSLA ARMS levels. These will be reported to the Q&PMG.
- 5.2 Following assessment at level 1 in December 2011 it may be feasible to undertake a level 2 assessment as early as December 2012. This assumes any new processes outlined in recently reviewed policies are immediately implemented across the organisation thereby allowing a 12 month period in which evidence for level 2 will be available. This timescale is also dependent upon the production of the 2012/13 NHSLA 'ARMS' (against which we will be assessed in 2012) which is anticipated during December 2011.
- 5.3 The Director of Safety and Risk and the Risk and Assurance Manager will meet with Divisional directors/ managers during October to engage divisions in the level 2 evidence collection processes and to ensure that there is a clear understanding of the requirements.
- 5.4 Regular monthly progress reports will be produced for QPMG.

6. The Trust board is invited to:

- a. Receive and note the content of this report reflecting the reasons for undertaking NHSLA ARMS assessment at level 1 in December 2012

P Cleaver
Risk and Assurance Manager
30 September 2011