Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board
Held on	29 January 2020
Agenda Item	14
Title	IJB Risk Management Policy and Strategy

Summary

The revised IJB Risk Management Policy and Strategy was endorsed by the Performance and Audit Committee in November 2019. This report includes an overview of the changes that have been made to the original document, which was adopted by the Integration Joint Board in August 2016.

Presented by	Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)

Action Required

The Integration Joint Board are asked to approve the revised IJB Risk Management Policy and Strategy.

Implications checklist – check box if applicable and include detail in report

☐ Finance	☒ Policy	☐ Legal	☐ Equalities
☒ Risk	☐ Staffing	☐ Directions	☐ Infrastructure

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

29 JANUARY 2020

Report by Chief Financial Officer

**INTEGRATION JOINT BOARD RISK MANAGEMENT
POLICY AND STRATEGY**

PURPOSE OF REPORT

1. This report provides the Integration Joint Board with an update on the IJB Risk Management Policy and Strategy review including an overview of changes to the original document which were made following a consultation exercise. The changes were endorsed by the Performance and Audit Committee on 27 November 2019 and remitted to the Integration Joint Board for approval.

RECOMMENDATION

2. The Integration Joint Board are asked to approve the amended Risk Management Policy and Strategy.

BACKGROUND

3. The IJB Risk Management Policy and Strategy was first considered by the Performance and Audit Committee in March 2016 and remitted to the Integration Joint Board in June 2016, following some amendments. The Integration Joint Board approved the policy in August 2016.

REPORT

Review Process

4. The original IJB Risk Management Policy and Strategy document was circulated to a range of stakeholders for comment and shared with other HSCPs to allow for peer review and to identify any learning opportunities. Stakeholders included:-
   - Existing owners of operational risk registers within the HSCP
   - Head of Finance & Resources,(Chief Financial Officer), East Renfrewshire HSCP
   - Chief Nurse, East Renfrewshire HSCP
   - Business Support Manager, East Renfrewshire HSCP
   - Responsible officer for risk management, East Renfrewshire Council
   - Risk and Litigation manager, NHS Greater Glasgow & Clyde

Feedback received

From	Note of feedback	Recommendation/ Action
Operational Risk Register Owners	A request for more training and guidance on implementing the policy and strategy	Risk management training is sourced for officer requiring initial or refresher training
NHSGGC Risk and Litigation manager	It was noted that the policy was fit for purpose, although the scoring matrix used is not the standard 5x5 scoring matrix used by NHSGGC. The Council 4x4 scoring matrix is currently used.	Noted
ERC Risk Manager	Comfortable with approach.

Section 1 Perhaps a recognition and link to the ERC Strategic Risk Register (SRR) within section 1 and more generally within the document. There are currently a number of HSCP risks included within this document and HSCP Chief Officer is actively involved in the discussion of this as a member of CMT.

Section 3 – reporting. The SRR (including HSCP risks) is considered by the Audit & Scrutiny Committee twice a year and annually by the Cabinet. | Noted

The policy and strategy document be amended to reflect this

The policy and strategy document be amended to reflect this |
| **HSCP Head of Finance and Resources** | Requested that it be highlighted in the document that "Service Managers have a responsibility to report any changes to their own operational risk register" | Document amended to add text |

CONSULTATION AND PARTNERSHIP WORKING

5.   Consultation took place as described earlier in the report.

6.   The revised policy and strategy was shared with the Performance and Audit Committee in November 2019 who agreed to remit to the IJB for approval.

IMPLICATIONS OF THE PROPOSALS

7.   There are no finance, staffing, risk, policy, infrastructure, equalities or legal implications.

8.   No are no directions as a result of this paper.

CONCLUSIONS

9.   A review of the IJB Risk Management Policy and Strategy has been undertaken and was endorsed by the Performance and Audit Committee in November 2019.

10.   If approved, the new policy and strategy will be circulated to HSCP Senior Management for implementation.

11.   The next review of the IJB Risk Management Strategy and Policy will take place in November 2021.

RECOMMENDATIONS

12.   The Integration Joint Board are asked to approve the revised IJB Risk Management Policy and Strategy.

REPORT AUTHOR AND PERSON TO CONTACT

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Chief Officer, IJB: Julie Murray

BACKGROUND PAPERS

27-11-2019 PAC PAPER: Review of IJB Risk Management Policy and Strategy
https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=25574&p=0

17-08-2016 IJB Paper: IJB Risk Management Policy and Strategic Risk Register
https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=17355&p=0

29-06-2016 PAC Paper: Risk Management Policy and Strategic Risk Register Update
https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=17085&p=0

16-03-2016 PAC Paper: Risk Management Policy and Strategic Risk Register
https://www.eastrenfrewshire.gov.uk/ChttpHandler.ashx?id=16335&p=0

18-12-2015 PAC Paper: Risk Management Policy and Strategy
https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=15894&p=0
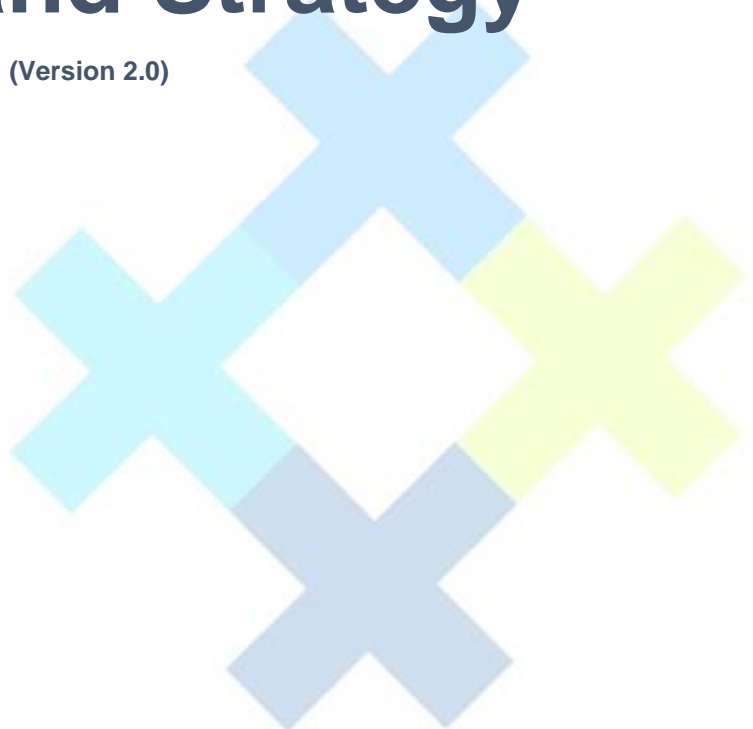
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East Renfrewshire Integration Joint Board

Risk Management Policy and Strategy

(Version 2.0)

Version:	Date Effective:	Author & Changes	Review Date:
1.1 Review V	9/10/2019	Stuart McMinigal – Full Review (see PAC Paper 27.11.2019)	
2.0 (DRAFT)	Pending approval by IJB	Pamela Gomes -	

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Policy – the risk management approach

East Renfrewshire Integration Joint Board is committed to a culture where its workforce is encouraged to develop new initiatives, improve performance and achieve goals safely, effectively and efficiently by appropriate application of good risk management practice.

In doing so the Integration Joint Board (IJB) aims to provide safe and effective care and treatment for patients and clients, and a safe environment for everyone working within the IJB and others who interact with the services delivered under the direction of the IJB.

The Integration Joint Board believes that appropriate application of good risk management will prevent or mitigate the effects of loss or harm and will increase success in the delivery of better clinical and financial outcomes, objectives, achievement of targets, and fewer unexpected problems.

Key benefits of effective risk management:

- appropriate, defensible, timeous and best value decisions are made;
- risk 'aware' not risk 'averse' decisions are based on a balanced appraisal of risk and enable acceptance of certain risks in order to achieve a particular goal or reward;
- high achievement of objectives and targets;
- high levels of morale and productivity;
- better use and prioritisation of resources;
- high levels of user experience/ satisfaction with a consequent reduction in adverse incidents, claims and/ or litigation; and
- a positive reputation established for the Joint Board.

The IJB purposefully seeks to promote an environment that is risk 'aware' and strives to place risk management information at the heart of key decisions. This means that the IJB can take an effective approach to managing risk in a way that both addresses significant challenges and enable positive outcomes.

In normal circumstances the IJB's appetite/tolerance for risk is as follows:

Risk matrix with score and tolerance ratings

Risk Score	Overall rating
11-16	High /Red/Unacceptable
5-10	Medium /Yellow/Tolerable
1-4	Low/Green/Acceptable

The table below shows risk levels considering Likelihood and Severity

Likelihood	Score								
Certain	4	Low (Green)		Medium (Yellow)		High (Red)		High (Red)	
Likely / probable	3	Low (Green)		Medium (Yellow)		Medium (Yellow)		High (Red)	
Possible/could happen	2	Low (Green)		Low (Green)		Medium (Yellow)		Medium (Yellow)	
Unlikely	1	Low (Green)		Low (Green)		Low (Green)		Low (Green)	
Impact		Minor	1	Significant	2	Serious	3	Major	4

The IJB promotes the pursuit of opportunities that will benefit the delivery of the Strategic Plan. Opportunity-related risk must be carefully evaluated in the context of the anticipated benefits for patients, clients and the IJB.

The IJB will receive assurance reports (internal and external) not only on the adequacy but also the effectiveness of its risk management arrangements and will consequently value the contribution that risk management makes to the wider governance arrangements of the IJB.

The IJB, through the following risk management strategy, has established a Risk Management Framework, (which covers risk policy, procedure, process, systems, risk management roles and responsibilities).

Strategy – implementing the policy

1. Introduction

1.1   The primary objectives of this strategy will be to:

- promote awareness of risk and define responsibility for managing risk within the Integration Joint Board;

- establish communication and sharing of risk information through all areas of the Integration Joint Board;

- initiate measures to reduce the Integration Joint Board's exposure to risk and potential loss; and,

- establish standards and principles for the efficient management of risk, including regular monitoring, reporting and review.

1.2   This strategy takes a positive and holistic approach to risk management. The scope applies to all risks, whether relating to clinical and care environment, employee safety and wellbeing, business risk, opportunities or threats.

1.3   **Strategic risks** represent the potential for the Integration Joint Board (IJB) to achieve (opportunity) or fail to meet (threat) it's desired outcomes and objectives as set out within the Strategic Plan, and typically these risks require strategic leadership in the development of activities and application of controls to manage the risk. The Strategic Risks Register will be shared with East Renfrewshire Council and NHS GGC. IJB risks may be noted on those organisations' Strategic Risk Register if deemed appropriate.

1.4   **Operational risks** represent the potential for impact (opportunity or threat) within or arising from the activites of an individual service area or team operating within the scope of the Joint Board's activities. Parent bodies will retain responsibility for managing operational risks as operational risks will be more 'front-line' in nature and the development of activities and controls to respond to these risks can be led by local managers and team leaders. Where a number of operational risks impact across multiple service areas or because of interdependencies, require more strategic leadership, then these can be proposed for escalation to 'strategic risk' status for the IJB.

1.5   All risks will be analysed consistently with an evaluation of risk as being as follows; High/Red/Unnaceptable, Medium/Yellow/Tolerable and Low/Green/Acceptable. Risks identified as High/Red/Unacceptable will be subject to an exception report presented to the Performance and Audit Committee.

1.6   This document represents the risk management framework to be implemented across the IJB and will contribute to the IJB's wider governance arrangements.

2. Risk Management Process

2.1   Risk Management is about the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects[1]. It is pro-active in understanding risk and uncertainty, it learns and builds upon existing good practice and is a continually evolving process that has an important role in ensuring that defensible and beneficial decisions are made.

2.2   The IJB embeds risk management practice by consistent application of the risk management process shown in the diagram on the right, across all areas of service delivery and business activities.
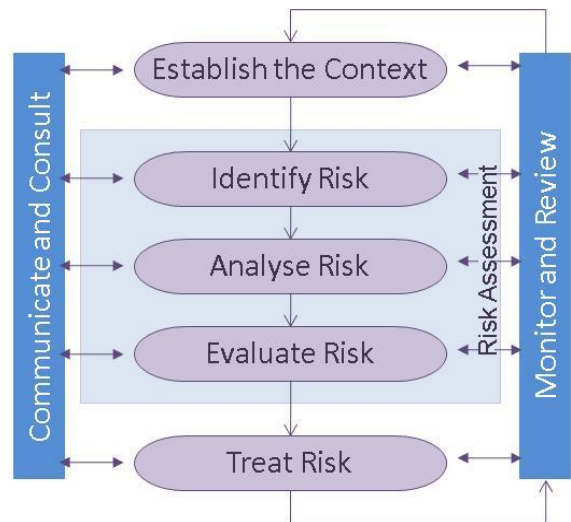
3. Application of good risk management across the IJB activities

3.1   Standard procedures (3.2 – 3.10) will be implemented across all areas of activity that are under the direction of the IJB in order to achieve consistent and effective implementation of good risk management.

3.2   Full implementation of the risk management process. This means that risk management information should (wherever possible) be used to guide major decisions in the same way that cost and benefit analysis is used.

3.3   Identification of risk using standard methodologies, and involving subject experts who have knowledge and experience of the activity or process under consideration.

3.4   Categorisation of risk under the headings below:

- Strategic Risks: such as risks that may arise from political, economical, social, technological, legislative and environmental factors that impact on the delivery of the Strategic Plan outcomes.

- Operational Risks: such as risks that may arise from or impact on clinical care and treatment, social care and treatment, customer service, employee health, safety and wellbeing, business continuity/supply chain, information security and asset management.

3.5   Appropriate ownership of risk. Specific risks will be owned by/assigned to whoever is best placed to manage the risk and oversee the development of any new risk controls required.

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[1] Australia/ New Zealand Risk Management Standard, AS/NZS 4360: 2004

3.6 Consistent application of the agreed risk matrix to analyse risk in terms of likelihood of occurrence and potential impact, taking into account the effectiveness of risk control measures in place. The risk matrix and guide to terms and scoring to be used is detailed in Appendix 1.

3.7 Consistent response to risk that is proportionate to the level of risk. This means that risk may be terminated; transferred elsewhere (i.e. to another partner or third party); tolerated as it is; or treated with cost effective measures to bring it to a level where it is acceptable or tolerable for the IJB in keeping with its appetite/ tolerance for risk. In the case of opportunities, the IJB may 'take' an informed risk in terms of tolerating it if the opportunity is judged to be (1) worthwhile pursuing and (2) the IJB is confident in it's ability to achieve the benefits and manage/ contain the associated risk.

3.8 Implementation and maintenance of risk registers as a means of collating risk information in a consistent format allowing comparison of risk evaluations, informed decision-making in relation to prioritising resources, and ease of access to information for risk reporting.

3.9 Reporting of strategic risks and key operational risks to the IJB on an annual basis and to the PAC on a quarterly basis. In addition ERC Strategic Risk Registers which may contain IJB risks, are reported to East Renfrewshire Council'sAudit and Scutiny Committee twice a year and Cabinet once a year. Likewise high level NHS Greater Glasgow and Clyde risks from the Strategic Risk Register are reported to the Board every quarter.

3.10 Operation of a procedure for movement of risks between strategic and operational risk registers will be facilitated by the Senior Management Team.

3.11 Routine reporting of risk information within and across teams and a commitment to a 'lessons learned' culture that seeks to learn from both good and poor experience in order to replicate good practice and reduce adverse events and associated complaints and claims.

Realising the risk management vision

4. Risk management vision and measures of success

Vision Stratement:

"To ensure that risk management is clearly and consistently integrated in the culture of East Renfrewshire Integration Joint Board."

4.1 In working towards this risk management vision, the IJB aims to demonstrate a level of maturity where risk management is embedded and integrated in the decision making and operations of the IJB.

4.2 The measures of success for this vision will be:

- *successful delivery of the strategic plan, outcomes and targets*
- *good financial outcomes for the Integration Joint Board*
- *successful outcomes from external scrutiny*
- *fewer unexpected/ unanticipated problems*
- *fewer incidents/ accidents/ complaints*
- *fewer claims/ less litigation*

Risk leadership and accountability

5. Governance, roles and responsibilities

Integration Joint Board

5.1 Members of the Integration Joint Board are responsible for:
- oversight of the IJB's risk management arrangements;
- receipt and review of reports on strategic risks and any key operational risks that require to be brought to the IJB's attention; and,
- ensuring awareness of any risks linked to recommendations from the Chief Officer concerning new priorities/ policies.

Chief Officer

5.2 The Chief Officer has overall accountability for the IJB's risk management framework, ensuring that suitable and effective arrangements are in place to manage the risks relating to the functions within the scope of the IJB. The Chief Officer will keep the Chief Executives of the IJB's partner bodies informed of any significant existing or emerging risks that could seriously impact the IJB's ability to deliver the outcomes of the Strategic Plan or the reputation of the IJB.

Chief Financial Officer

5.3 The Chief Financial Officer will be responsible for promoting arrangements to identify and manage key business risks, risk mitigation and insurance.

Senior Management Team

5.4 Members of the Senior Management Team are responsible (either collectively, or by nominating a specific member of the team) for:

- supporting the Chief Officer and Chief Financial Officer in fulfilling their risk management responsibilities;
- arranging professional risk management support, guidance and training from partner bodies;
- receipt and review of regular risk reports on strategic, shared and key operational risks and escalating any matters of concern to the IJB; and,
- ensuring that the standard procedures set out in section three of this strategy are actively promoted across their teams and within their areas of responsibility.

Individual Risk Owners

5.5 It is the responsibility of each risk owner to ensure that:

- risks assigned to them are analysed in keeping with the agreed risk matrix;
- data on which risk evaluations are based are robust and reliable so far as possible;
- risks are defined clearly to make explicit the scope of the challenge, opportunity or hazard and the consequences that may arise;
- risks are reviewed not only in terms of likelihood and impact of occurrence, but taking account of any changes in context that may affect the risk;
- controls that are in place to manage the risk are proportionate to the context and level of risk.
- Service Managers have a responsibility to report any changes to their service's Operational Risk Register to the Directorate Management Team.

All persons working under the direction of the IJB

5.6 Risk management should be integrated into daily activities with everyone involved in identifying current and potential risks where they work. Individuals have a responsibility to make every effort to be aware of situations which place them or others at risk, report identified hazards and implement safe working practices developed within their service areas. This approach requires everyone to:

- understand the risks that relate to their roles and activities;
- understand how their actions relate to their own, their patient's, their client's and public safety;
- understand their accountability for particular risks and how they can manage them;
- understand the importance of flagging up incidents and/ or near misses to allow lessons to be learned and contribute to ongoing improvement of risk management arrangements; and,
- understand that good risk management is a key part of the IJB's culture.

Partner Bodies

5.7　It is the responsibility of relevant specialists from the partner bodies (such as internal audit, external audit, clinical and non clinical risk managers and health and safety advisers) to attend meetings as necessary to consider the implications of risks and provide relevant advice. It is the responsibility of the partner bodies to ensure they routinely seek to identify any residual risks and liabilities they retain in relation to the activities under the direction of the IJB.

Senior Information Risk Owner

5.8　Responsibility for this specific role will remain with the individual partner bodies.

Resourcing risk management

6. Resourcing the risk management framework

6.1　Much of the work on developing and leading the ongoing implementation of the risk management framework for the IJB will be resourced through the Senior Management Team's arrangements (referred to in 5.4).

6.2　Wherever possible the IJB will ensure that any related risk management training and education costs will be kept to a minimum, with the majority of risk-related courses/ training being delivered through resources already available to the IJB (the partner body risk managers/ risk management specialists).

7. Resourcing those responsible for managing specific risks

7.1　Where risks impact on a specific partner body and new risk control measures require to be developed and funded, it is expected that the costs will be borne by that partner organisation.

7.2　Financial decisions in respect of the IJB's risk management arrangements will rest with the Chief Financial Officer.

Training, learning and development

8. Risk management training and development opportunities

8.1　To implement this policy and strategy effectively, it is essential for people to have the competence and capacity for managing risk and handling risk judgements with confidence, to focus on learning from events and past experience in relation to what has worked well or could have been managed better, and to focus on identifying malfunctioning 'systems' rather than people.

8.2 Training is important and is essential in embedding a positive risk management culture across all activities under the direction of the IJB and in developing risk management maturity. The Senior Management Team will regularly review risk management training and development needs and source the relevant training and development opportunities required (referred to in 5.4).

Monitoring activity and performance

9. Monitoring risk management activity

9.1 The IJB operates in a dynamic and challenging environment. A suitable system is required to ensure risks are monitored for change in context and scoring so that appropriate response is made.

9.2 Monitoring will include review of the IJB's risk profile at Senior Management Team level.

9.3 All strategic and shared risks and key operational risks will be considered by the Senior Management team on a quarterly basis.

9.4 It is expected that partner bodies will use IJB risk reports to keep their own organisations updated on the management of the risks, highlighting any IJB risks that might impact on the partner organisation.

10. Monitoring risk management performance

10.1 Measuring, managing and monitoring risk management performance is key to the effective delivery of key objectives.

10.2 Key risk indicators (KRIs) will be linked where appropriate to specific risks to provide assurance on the performance of certain control measures. For example, specific clinical incident data can provide assurance that risks associated with the delivery of clinical care are controlled, or budget monitoring PIs (Performance Indicators) can provide assurance that key financial risks are under control.

10.3 The performance data linked to the Strategic Plan will also inform the identification of new risks or highlight where existing risks require more attention.

10.4 Reviewing the IJB's risk management arrangements on a regular basis will also constitute a PDSA (Plan/Do/Study/Act) review cycle that will shape future risk management priorities and activities of the IJB, inform subsequent revisions of this policy and strategy and drive continuous improvement in risk management across the IJB.

Communicating risk management

11. Communicating, consulting on and reviewing the risk management framework

11.1 Effective communication of risk management information across the IJB is essential to developing a consistent and effective approach to risk management.

11.2 Copies of this policy and strategy will be widely circulated via the Senior Management Team and will form the basis of any risk management training arranged by the IJB.

11.3 The Policy and Strategy (Version 1.0) was first approved by the Integration Joint Board at its meeting of 17 August 2016.

11.4 Formal reviews of the policy will be undertaken biannually. In addition regular reviews will take place to ensure that it reflects current standards and best practice in risk management and fully reflects the IJB's business environment.

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Appendix 1: Risk Matrix

Likelihood	Score							
Certain	4	Low		Medium		High		High
Likely / probable	3	Low		Medium		Medium		High
Possible/could happen	2	Low		Low		Medium		Medium
Unlikely	1	Low		Low		Low		Low
Impact		Minor	1	Significant	2	Serious	3	Major	4

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Appendix 2: Guide to terms and scoring

Risk Criteria for Impact

Factor	Score	Effect on Service	Embarrassment/reputation	Personal Safety	Personal privacy infringement	Failure to provide statutory duties/meet legal obligations	Financial	Effect on Project Objectives
Major	4	Major loss of service, including several important areas of service and /or for a protracted period. Service Disruption 5+ Days	Adverse and persistent national media coverage Adverse central government response, involving (threat of) removal of delegated powers Officer(s) and/or Members forced to resign	Death of an individual or several people	All personal details compromised/ revealed	Litigation/claims/fines from Departmental £250k+ Corporate 500k+	Costing over £500,000 Up to 75% of Budget	Complete failure of project/ extreme delay – 3 months or more
Serious	3	Complete loss of an important service area for a short period Major effect to services in one or more areas for a period of weeks Service Disruption 3-5 Days	Adverse publicity in professional/municipal press, affecting perception/standing in professional/local government community Adverse local publicity of a major and persistent nature	Major injury to an individual or several people	Many individual's personal details compromised/ revealed	Litigation/claims/fines from Departmental £50k to £125k Corporate £100k to £250k	Costing between £50,000 and £500,000 Up to 50% of Budget	Significant impact on project or most of expected benefits fail/ major delay – 2-3 months
Significant	2	Major effect to an important service area for a short period Adverse effect to services in one or more areas for a period of weeks Service Disruption 2-3 Days	Adverse local publicity /local public opinion aware Statutory prosecution of a non-serious nature	Severe injury to an individual or several people	Some individual's personal details compromised/ revealed	Litigation/claims/fines from Departmental £25k to £50k Corporate £50k to £100k	Costing between £5,000 and £50,000 Up to 25% of Budget	Adverse effect on project/ significant slippage – 3 weeks–2 months
Minor	1	Brief disruption of important service area Significant effect to non-crucial service area Service Disruption 1 Day	Contained within section/unit or Directorate Complaint from individual/small group, of arguable merit	Minor injury or discomfort to an individual or several people	Isolated individual's personal details compromised/ revealed	Litigation/claims/fines from Departmental £12k to £25k Corporate £25k to £50k	Costing less than £5,000 Up to 10% of Budget	Minimal impact to project/ slight delay less than 2 weeks

Risk Criteria for Likelihood

Factor	Score	Threats - Description	Indicators
Certain	4	More than 75% chance of occurrence	Regular occurrence Circumstances frequently encountered – daily/weekly/monthly
Likely	3	40% - 75% chance of occurrence	Likely to happen at some point in the next 1-2 years Circumstances encountered a few times per year.
Could happen	2	10% - 40% chance of occurrence	Only likely to happen 3 or more years
Unlikely	1	Less than 10% chance of occurrence	Has rarely happened/ never before