



Meeting of East Renfrewshire Health and Social Care Partnership	Performance and Audit Committee
Held on	16 March 2016
Agenda Item	11
Title	Risk Management Policy and Strategic Risk Register
<p>Summary</p> <p>This report provides the Performance and Audit Committee with an update on the Risk Management Policy and Strategy for the Integration Joint Board and a draft IJB Strategic Risk Register.</p>	
Presented by	Stuart McMinigal, Business Support Manager
<p>Action Required</p> <p>Note the content of the report</p> <p>Endorse the draft IJB Strategic Risk Register and amendments to the Risk Management Policy and Strategy and remit to the IJB for approval.</p>	
<p>Implications checklist – check box if applicable and include detail in report</p> <p> <input type="checkbox"/> Financial <input checked="" type="checkbox"/> Policy <input type="checkbox"/> Legal <input type="checkbox"/> Equalities <input checked="" type="checkbox"/> Efficient Government <input type="checkbox"/> Staffing <input type="checkbox"/> Property <input type="checkbox"/> IT </p>	

EAST RENFREWSHIRE HEALTH AND SOCIAL CARE PARTNERSHIP

PERFORMANCE & AUDIT COMMITTEE

16 MARCH 2016

Report by Julie Murray, Chief Officer

RISK MANAGEMENT POLICY AND STRATEGIC RISK REGISTER

PURPOSE OF REPORT

1. This report provides the Performance and Audit Committee with an update on the Risk Management Policy and Strategy document and a copy of the draft Integrated Joint Board Strategic Risk Register.

RECOMMENDATION

2. It is recommended that the Performance and Audit committee:-
 - Note the content of the report
 - Endorse the draft IJB Strategic Risk Register and amendments to the Risk Management Policy and Strategy and remit to the IJB for approval.

BACKGROUND

3. IJB Chief Financial Officer working with others on the Technical Finance Working group (TFWG) published a set of specimen documents and policies which each IJB can then customise and draw upon as required allowing consistency between partnerships and continuity for NHSGGC.
4. The draft the Risk Management Policy and Strategy document was brought to the Performance and Audit Committee 18th December when the committee was asked to:-
 - Endorse the Risk Management Policy and Strategy and comment on those areas for local discussion
 - Note the development of the Strategic Risk Register.
5. Towards the end of 2105 the HSCP Senior Management Team participated in a strategic risk register workshop facilitated by a specialist from a Risk and Insurance company. The output from that workshop forms the basis of the draft IJB Strategic Risk Register.

REPORT

6. The Performance and Audit committee asked the Senior Management Team to comment on the those key areas contained within the Risk Management Policy and Strategy that were to be considered locally.

7. The key issues for local consideration mainly focussed on risk appetite and reporting/governance issues. The key areas and recommendations are contained with the table in appendix 1. The adoption of a risk matrix was also a key area to be considered locally.
8. Adoption of specific risk matrix ensures a uniform way of scoring and recording risk. A number of different risk matrixes are available to support the risk management process. It is recommended that the IJB adopt the simple, clear and effective 4 x 4 risk matrix as noted below.

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

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

9. The IJB is required to maintain a risk register, reflecting its strategic activities and taking cognisance of significant issues from each partner's own risk registers, which are updated annually. Good practice in the area of risk management suggest that a risk register should contain between six to eight of the most significant risk to make it a useful working document. A copy of the draft IJB Strategic Risk Register is contained in Appendix 2.

CONCLUSIONS

10. To support the risk management process within the IJB a Risk Management Policy and Strategy has been developed and a draft IJB Strategic Risk Register completed.

RECOMMENDATIONS

11. It is recommended that the Performance and Audit committee:-
- Note the content of the report
 - Endorse the draft IJB Strategic Risk Register and amendments to the Risk Management Policy and Strategy and remit to the IJB for approval.

REPORT AUTHOR AND PERSON TO CONTACT

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BACKGROUND PAPERS

[PAC Paper 18.12.2015 - IJB Risk Management Policy and Strategy](#)

KEY WORDS

Risk; Risk Management; Strategic Risk Register;

Key areas for local consideration and recommendations

Section	Issues for local consideration	Recommendation
Policy page 2 Section 1.5	IJB to insert here the normal level of risk that will be acceptable, unacceptable and tolerable – for example, low or green risk shown in the matrix here could be ‘acceptable’.	In normal circumstances the Joint Board’s appetite/tolerance for risk is as follows: <ul style="list-style-type: none"> • High (red) Unacceptable • Medium (yellow) Tolerable • Low (green) Acceptable
Policy page 2 Section 1.5	Add in locally agreed risk matrix	A 4 x 4 risk matrix is adopted
Strategy page 3 Section 1.5	IJB to agree what level of risk will be referred to as ‘significant’ and therefore be subject to closer scrutiny by the Board]	Risks identified as High/Red/Unacceptable will be subject to an exceptions report presented to the Performance and Audit Committee.
Strategy page 4 Section 3.1.8	Reporting of strategic risks and key operational risks to the IJB. IJB to agree frequency basis.	Reporting of strategic risks and key operational risks to the IJB on a annual basis and to the PAC on a bi annual basis linked to the strategic plan and performance reporting
Strategy page 4 Section 3.1.9	Operation of a procedure for movement of risks between strategic and operational risk registers that will be facilitated by xxxx– IJB to agree	Operation of a procedure for movement of risks between strategic and operational risk registers will be facilitated by the Senior Management Team
Strategy page 5 Section 9.3	IJB to agree here, how and how often 9.2 (refers to monitoring of risk profile) should be undertaken	Strategic shared risks and key operational risks will be considered by the Senior Management Team every quarter.

RISK REGISTER

Health & Social Care Partnership Integrated Joint Board

JB Strategic Plan

Completed by: Management Team

Date originated: 09/11/2015 **Date reviewed:** 08/02/2016

No	Risk (Threat/Opportunity to achievement of business objective)- include the consequence of the risk in this description	Risk Control Measures currently in place <i>(need to be SMART e.g. detail of what type of training took place with dates in evidence column)</i>	Assessment of Risk [As it is now]			Proposed Risk Control Measures <i>(should be SMART with detail included)</i>	Assessment of Residual Risk [With proposed control measures implemented]			Responsible Officer	Timescale for completing proposed control measures	Evidence held (detail)	Where held
			Likelihood (Probability) [L]	Impact (Severity) [I]	Risk Score [L x I]		Likelihood (Probability) [L]	Impact (Severity) [I]	Residual Risk Score				
1	<p>Death of Service User / Patient</p> <p>Risk of death of a service user, not as a result of HSCP action / inaction.</p> <p>Consequences could include:</p> <ul style="list-style-type: none"> - impact on service user & family - may be perceived to have failure - poor workforce morale - increased complaints 	<ul style="list-style-type: none"> - Line manager checks - Quality assurance framework - Clear & effective policies & procedures in place - Risk assessments for service users - Preparation for, and response to, statutory inspection reports 	2	4	8	Review land D plans re Service user / Patient preventative action	2	4	8	Head of Health and Community Care/Head of Children and Families	Mar-17	Review outcome	Head of HCC and H of C and F

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2	<p>Financial Sustainability Risk of been unsustainable due to one of the following causes:</p> <p>1) Unable to deliver in full the existing savings to ensure a clear starting point for the IJB.</p> <p>2) Unable to influence future funding to recognise demographic & other pressures, or realise future efficiencies & savings</p> <p>3) Implications if current practice of risk sharing for prescribing ceases or changes from hosted services funding structure</p> <p>The Consequences include: - Inability to deliver core services in current way - Possibly having to review eligibility criteria - Unable to focus on prevention, therefore conflicting with legislation</p>	<p>- Financial management information & monitoring - Financial planning, in line with strategy development - Influencing / stakeholder engagement</p>	2	4	8	<p>1) Due diligence report established starting budget, progress on savings regularly monitored and discussed at DMT 2) Financial strategy sets out expectations. Key relationships established 3) CFO network will discuss early any implications and would need revision to all financial strategies. COs / IJBs would influence</p>	2	4	8	Chief Financial Officer	Financial strategy will initially cover period 2016/17 to 2018/19 and will be updated annually. Over time this will develop to cover longer period. Key relationships and networks established	Financial Strategy	CFO

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3	<p>Failure of a Provider</p> <p>Risk of an operational or financial failure of a key provider, possibly due to operating under same economic & financial pressures as the partnership, including:</p> <ul style="list-style-type: none"> - living wage - sleepover payments - fixed workplace - recruitment & retention - market mix & company structure (e.g. another Southern Cross) <p>Consequences could include:</p> <ul style="list-style-type: none"> - disruption to service delivery - implementing contingency plans - increased cost pressures - impact on individuals & families 	<ul style="list-style-type: none"> - Commissioning Process - Development of public social partnership approach - Engagement, e.g. through Providers Forum - Market analysis 	3	3	9	Discussions with providers about Fair Work Practices; Market shaping activities; Stakeholder management activities	2	3	6	Head of Strategic Services	Spring 2016; Spring 2019; Autumn 2016	Minutes of meetings with stakeholders	Commissioning Team

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4	<p>Governance Framework Failure The legislation creating the IJB requires a new approach to governance covering all areas of strategic & operational performance & compliance. There is a risk of gaps in implementing the framework or it not being understood due to lack of clarity of roles & responsibilities.</p> <p>Consequences could include operational failures, perception of non performance, lack of confidence, pressure from stakeholders, and impact on reputation.</p>	<ul style="list-style-type: none"> - Clear care governance framework in place - Identified areas for improvement - Audit & inspection cycles - Risk management process 	2	3	6	Work with council and health board to ensure clarity of roles in relation to IJB & HSCP	2	3	6	Chief Officer HSCP	Autum 2016	Minutes of meetinmgs and memorandum of understanding	CO PA, e

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5	<p>Increased Use of Inpatients</p> <p>The legislation makes clear that resources should follow activity, therefore the consequences of an increased use of inpatient treatments is a flow of resources away from prevention to acute care. This could destabilise the system, and lead to increased political scrutiny.</p> <p>Associated with this is a potential lack of GP capacity locally to manage the increasing numbers of frail elderly people in East Renfrewshire who are being managed at home and in care homes. New care homes are being built but with no requisite increase in nursing home LES monies to allow the HSCP to offer a LES to local practices.</p> <p>If practices generally feel that they do not have the capacity to accept new patients then they can apply to close their</p>	<p>- Discussions with partners about funding formula is on-going</p> <p>- Monitoring GP Referrals</p> <p>- Support for GP's to say No to patients when appropriate -----</p> <p>Discussions continue with the Health Board to seek additional funding to allow the nursing homes LES to be offered to local practices in respect of new care homes.</p>				Encourage local practices only to register new patients who live within the practice's catchment area and to advise those living outwith to seek registration more locally to where they reside.				Head of Health and Community Care	Apr-17	Minutes of meetings, GP data	PA service
			2	3	6		2	3	6				

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6	<p>Workforce planning and change</p> <p>Lack of appropriately skilled workforce due to the combination of loss of experience from retirement of ageing workforce and changes to registration and job requirements leads to a reduction in service levels and inability to deliver redesigns in line with Strategic Plan requirements</p>	<p>Use of PRD and succession planning</p> <p>Leadership development programme an</p> <p>Integrated learning and development plan with strong focus on practice development</p>	3	3	9	<p>Development of workforce plan with support from East Renfrewshire Council and NHSGGC linked to strategic plan and service redesigns.</p> <p>Refocus of learning and development team to meet requirements of HSCP changes</p> <p>Improve partnership workforce planning working with providers</p>	3	3	9	Head of Strategic Services	Mar-17	learning and development strategy-----workforce plan	L and D team, Head of Service PA

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7	<p>CHCP to HSCP Transition</p> <p>Risk of distancing from 'parent' organisations, possibly caused by:</p> <ul style="list-style-type: none"> - lack of ownership within parents due to conflicting pressures - being seen as too close to one or other parent ('dog with two tails') - a lack of confidence in the partnership's ability to deliver <p>Consequences include:</p> <ul style="list-style-type: none"> - Resources & finances do not match our delegated responsibilities - Lack of visibility - HSCP retrench into silo working 	<p>Chief Officer sits on Corporate Management team of both organisations-----</p> <p>Regular one to one meeting with both NHSGGc and ERC Chief Executives -----</p> <p>---Chief Officer has a clear role in both organisations budgetary discussions-----</p> <p>---Convenor for Social Work and Health briefs ER Council on a regular basis</p>	2	3	6	<ul style="list-style-type: none"> - Review resources to ensure they match delegated authority - On-going stakeholder engagement and communication-- Ensure clarity of roles and responsibilities of parent organisations----- Annual Report to Council meetings----- -----6 Monthly report on SOA outcomes 	2	3	6	Chief Officer HSCP	31.12.15 onward	Annual reports, Minutes of meetings	CO PA, ERC Website