This paper relates to Agenda Item 11

Title/Subject:	**Risk Management Strategy**
Meeting:	**Integration Joint Board**
Date:	**24 March 2016**
Submitted By:	**Chief Officer**
Action:	**For Decision**

1. INTRODUCTION

1.1 This report provides Integration Joint Board (IJB) members with a draft Risk Management Strategy (RMS) for information and approval.

1.2 The implementation of a RMS is a requirement within the Integration Scheme.

2. RECOMMENDATIONS

The Integration Joint Board is asked to:

2.1. consider the draft Risk Management Strategy attached at Appendix 1 for approval

2.2. note that the Strategic Risk Management (SRM) Reporting Framework will be developed with consideration to relevant structures and governance arrangements

2.3. remit the Chief Officer and the Falkirk Joint Management Group to develop a Strategic Risk Register (SRR) for consideration by the IJB in June 2016 for discussion and approval.

3. RISK MANAGEMENT STRATEGY

3.1. The RMS has been developed by the Forth Valley Risk Work-stream members. The membership includes the risk advisors from the 3 Councils and NHS Forth Valley. The workstream reports to the Programme Board.

3.2. The RMS dove-tails with each partner's existing Corporate Risk Management (CRM) Policies / Strategies and these are described in the draft Risk Management Strategy at appendices (1 – 4).

3.3. The IJB are required to undertake further work to develop and agree their RMS Reporting Framework, i.e. the process for cascading risks. The draft Risk Management Strategy contains an example at appendix 5, which reflects current structures, recognising these may change in the coming year. This will be developed as part of (and should be seen as forming part of) the broader governance arrangements – including audit, clinical and care governance, and performance management. Further work is required to consider and develop the appropriate structures and governance arrangements.

3.4. A Strategic Risk Register (SRR) is being developed by the Chief Officer and Falkirk Joint Management Group, with support from the risk advisors. This will assess strategic risks, i.e. risks which affect the delivery of the IJB's Strategic Plan.

3.5. The Chief Officer will present the SRR to the IJB in June 2016, for discussion and approval. The RMS Reporting Framework will then provide a clear process for ongoing monitoring of the SRR by the IJB, the senior leadership team (currently the Joint Management Group), and the partners' Corporate Management Teams (CMTs).

3.6. The Forth Valley Risk Work-stream members will continue to support the IJB – including exploring opportunities for additional IJB risk management training.

4. CONCLUSION

4.1. Resource Implications

Work will continue to be progressed supported by the Risk Work-stream.

Impact on Integration Joint Board Outcomes and Priorities

The key risks are failure to effectively identify and manage the risks to achieving the outcomes and priorities detailed within the IJB's Strategic Plan.

Legal & risk implications

The key risks are failure to effectively:

- implement the Risk Management Strategy effectively
- identify and assess risks to delivering the IBJ's Strategic Plan
- meet the commitments made within the Integration Scheme

Consultation

The Chief Officer and Falkirk Joint Management Group members have been consulted on the draft RMS and the actions above.

Equality and human rights impact assessment

None

4.2. **Exempt reports**

None

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Gail Caldwell, NHS Forth Valley

Date: 4 March 2016

List of Background Papers:
Strategic Risk Management Policy (Draft)

Forth Valley
Health & Social Care Partnerships

Risk Management

Strategy

NHS
Forth Valley

Falkirk Council

Clackmannanshire Council

Stirling Council

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DOCUMENT HISTORY

Document Title:	DRAFT FVHSCP's Risk Management Strategy	Lead Reviewer:	Hugh Coyle and HSCP Programme Managers
Owner:	FV Risk Managers	Superseded Version:	Drafts Oct and Dec 2015
Version No:	Draft v4.6 – 04 March 2016	Next Review Date:	March 2017

1. POLICY – the risk management approach

1.1 This Risk Management Strategy (RMS) dove-tails with each partner's existing Corporate Risk Management (CRM) Strategies, which are described at **Appendices 1 – 4.**

1.2 The IJB are required to undertake further work to develop and agree their RMS Reporting Framework. An example is provided at **Appendix 5**. This reflects current structures, but these may change in the coming year. This will be developed as part of (and should be seen as forming part of) the broader governance arrangements – including audit, clinical and care governance, and performance management. Further work is also required to develop the appropriate (sub) Committee structure.

1.3 The Integration Joint Board (IJB) is committed to embedding a culture whereby risk management is recognised as a continuous process, demanding awareness and action from employees at every level, to reduce the possibility and impact of injury and loss. Risk management should be seen as an enabler to achieving objectives, of both the partnership and individual partners.

1.4 The IJB will ensure that a robust and transparent system of clinical governance and risk management is in place to assure the IJB, its public and other stakeholders. This involves providing a safe and effective care and treatment for patients and clients, and a safe environment for employees and others who interact with the services delivered under the direction of the IJB.

1.5 The IJB 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.

1.6 Clinical governance and risk management are inextricably linked.

1.7 Risk management is an integral part of good management practice, and learning from adverse events is a major priority for the IJB. As health and social care is becoming increasingly complex it is important that sufficient time and resource is applied to this area. Delivering and managing safe and effective care to the people who use our services whilst ensuring the health, safety, and welfare of our staff, patients, (unpaid) carers, and visitors is a top priority for the organisation.

1.8 This strategy encourages decision makers to be 'risk aware' rather than 'risk averse'. This includes encouraging innovation and recognising 'opportunity related risk', provided that the risks are assessed and justified in the context of the anticipated benefits for patients, clients, (unpaid) carers, and the IJB.

1.9 **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 is established for the IJB.

1.10 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.

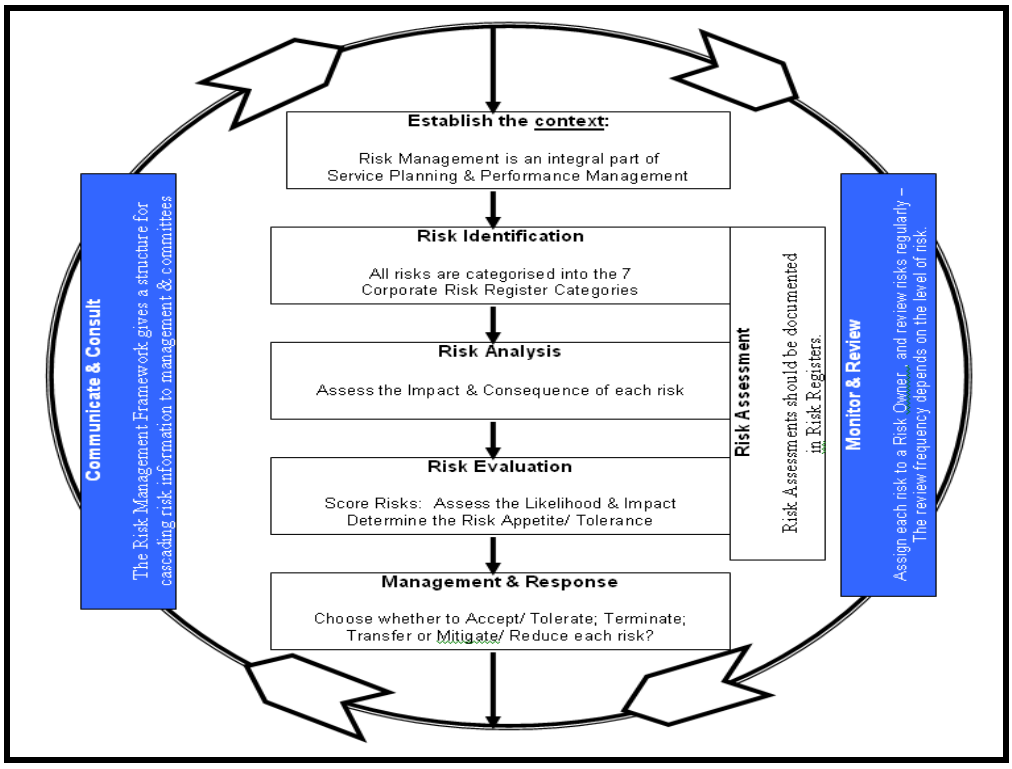
2. STRATEGY – Implementing the policy

2.1 The primary objectives of this strategy will be to:

- promote awareness of risk and define responsibility for managing risk within the IJB;
- establish communication and sharing of risk information through all areas of the IJB;
- initiate measures to reduce the IJB's exposure to risk and potential loss; and
- establish standards and principles for the efficient management of risk, including regular monitoring, reporting, and review.

2.2 This strategy takes a positive and holistic approach to risk management. The scope applies to all risks, whether relating to the clinical and care environment, patient / service user / (unpaid) carers and employee safety and wellbeing, business risk, opportunities or threats.

2.3 Risk management requires the consistent identification, assessment, management, monitoring, and reporting of risks to the IJB, as shown overleaf:



2.4 Each stage will be outlined further within the SRM guidance document(s).

2.5 Risk affects every activity to a greater or lesser degree and failure to acknowledge this can lead to serious consequences – including harm, financial loss, service interruption, criticism or reputational damage, and legal penalties.

2.6 If the HSCP is to manage risk effectively, they need to demonstrate that risks are managed in a systematic and structured manner and reviewed regularly. This includes:

- **Strategic Risks:** This includes the risks to achieving (opportunity) or failing to achieve (threat) the IJB's desired outcomes and objectives as set out within the Strategic Plan. These are managed by the senior leadership team (currently the Joint Management Team / Group (JMT/G)).

- **Corporate Risks:** This includes the risks (opportunity or threat) to achieving the goals of individual partners. These are managed by each partners' Corporate Management Team (CMT). Where a risk affects multiple partners and / or requires strategic leadership they should be escalated to the senior leadership team and IJB and proposed to be treated as strategic risks.

- **Operational Risks:** This includes the risks to individual service units, and would be managed by operational managers. Where a risk affects multiple units and/or requires more senior leadership they should be escalated to the senior leadership team and proposed to be treated as corporate risks.

- **Project Risks:** This includes the risks (opportunity or threats) to successfully delivering the project – in terms of outcomes, costs, or anticipated benefits that the project will deliver. These should be managed by the senior leadership team.

2.7 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. Risk controls should be proportionate and take account of the IJBs tolerance for risk and available options for managing risk.

2.8 Risks will be scored consistently using the agreed risk matrix, contained in the SRM guidance, to analyse risk in terms of likelihood and potential impact, taking account of controls and actions.

2.9 The IJB will demonstrate 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, accidents / near misses and claims. The risk advisors across Forth Valley will work together to ensure that lessons learnt are identified and shared with both HSCPs.

3. Governance, Roles and Responsibilities

3.1 Integration Joint Board

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;
- ensuring they are aware of any risks linked to recommendations from the Chief Officer concerning new priorities / policies and the like (e.g. inclusion of a 'risk implications' section on Board papers); and
- ensuring that the Chief Officer implements and monitors mitigating actions and reports progress.

3.2 Chief Officer

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.

3.3 Chief Financial Officer

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

3.4 Senior Leadership Team

Members of the senior leadership 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; and
- reporting back to the IJB on risks.

3.5 Employees / All persons working under the direction of the IJB

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 patient's / service user's / (unpaid) carer's / others at risk of harm; to identified hazards and implement safe working practices developed within their service areas; and to report near misses and incidents of harm so that these can be investigated and lessons learnt.

3.6 Others / Specialists

It is the responsibility of relevant specialists from the partner bodies to attend meetings as necessary to consider the implications of risks and provide relevant advice. This includes internal audit, external audit, chief legal / risk officers, (sub) committees, clinical and non clinical risk managers / advisors, and health and safety advisors.

3.7 Corporate Management Teams of Partner Bodies

Corporate management teams of partner bodies are responsible for:

- ensuring that they routinely seek to identify any residual risks and liabilities they retain in relation to the activities under the direction of the IJB; and
- escalating and reporting risks to the Senior Leadership Team and IJB when they exceed their risk tolerance and / or where they may affect the achievement of the HSCPs Strategic Plan.

4. Monitoring and measuring the effectiveness of risk management arrangements

4.1 The IJB operates in a dynamic and challenging environment. A suitable system is required to ensure risks are monitored for change in context, scoring, and controls.

4.2 Risk and perfromance management is key to the effective delivery of strategic objectives. Monitoring will include review of the IJB's risk profile at senior management team level and report up to the IJB and relevant (sub) committees.

4.3 The Strategic Plan, performance reviews, and audits / inspections will also inform the identification of new risks or highlight where existing risks require more attention.

4.4 Key risk performance indicators (PIs) 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 can provide assurance that key financial risks are under control.

4.5 The IJB will ensure that a Risk Management Improvement Plan that will shape future risk management priorities and inform subsequent revisions of this policy and strategy and drive continuous improvement in risk management across the HSCPs.

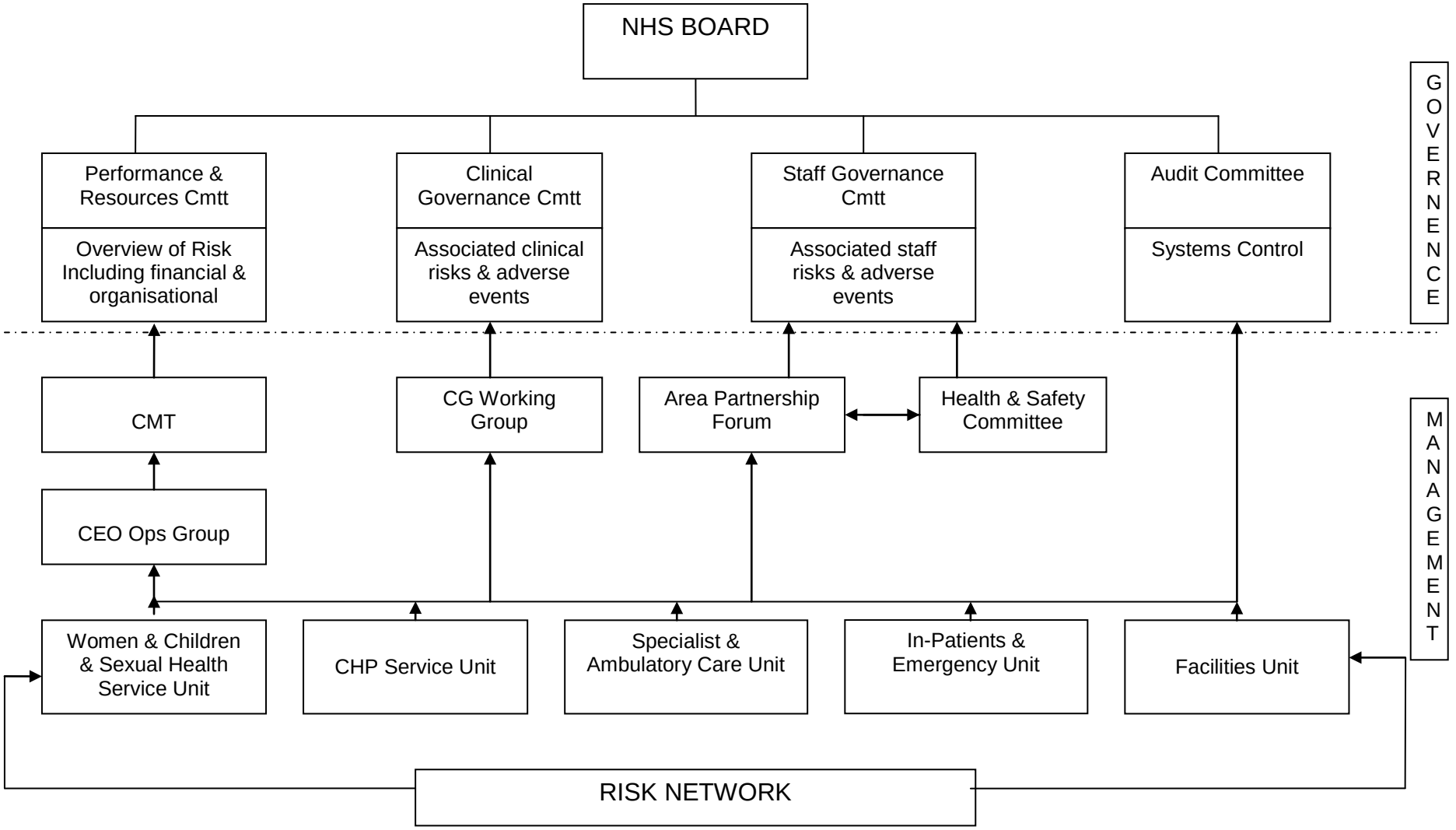
5. Communication and Training

5.1 This strategy will be communicated to all employees, via the integration web pages, and cascading by senior leadership teams.

5.2 Suitable guidance and training will be developed and agreed with the senior leadership teams, to ensure that this strategy is implemented effectively at strategic, operational, and project levels.

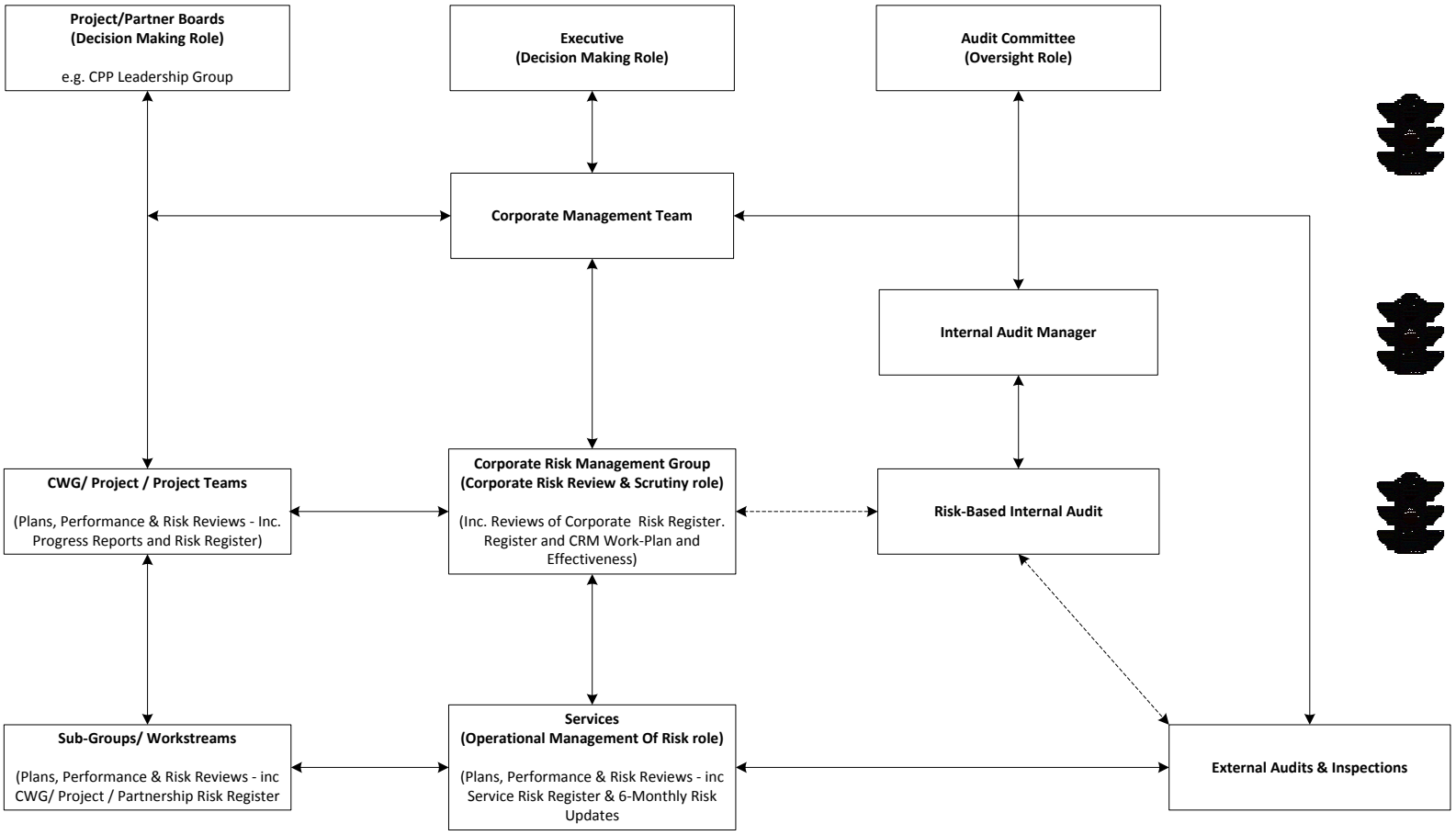
Appendix 1: Strategic Risk Management Reporting Frameworks: Example 1: NHS Forth Valley

QUALITY ASSURANCE IN FORTH VALLEY
CLINICAL GOVERNANCE RISK MANAGEMENT
ASSURANCE, ACCOUNTABILITY AND REPORTING FRAMEWORK



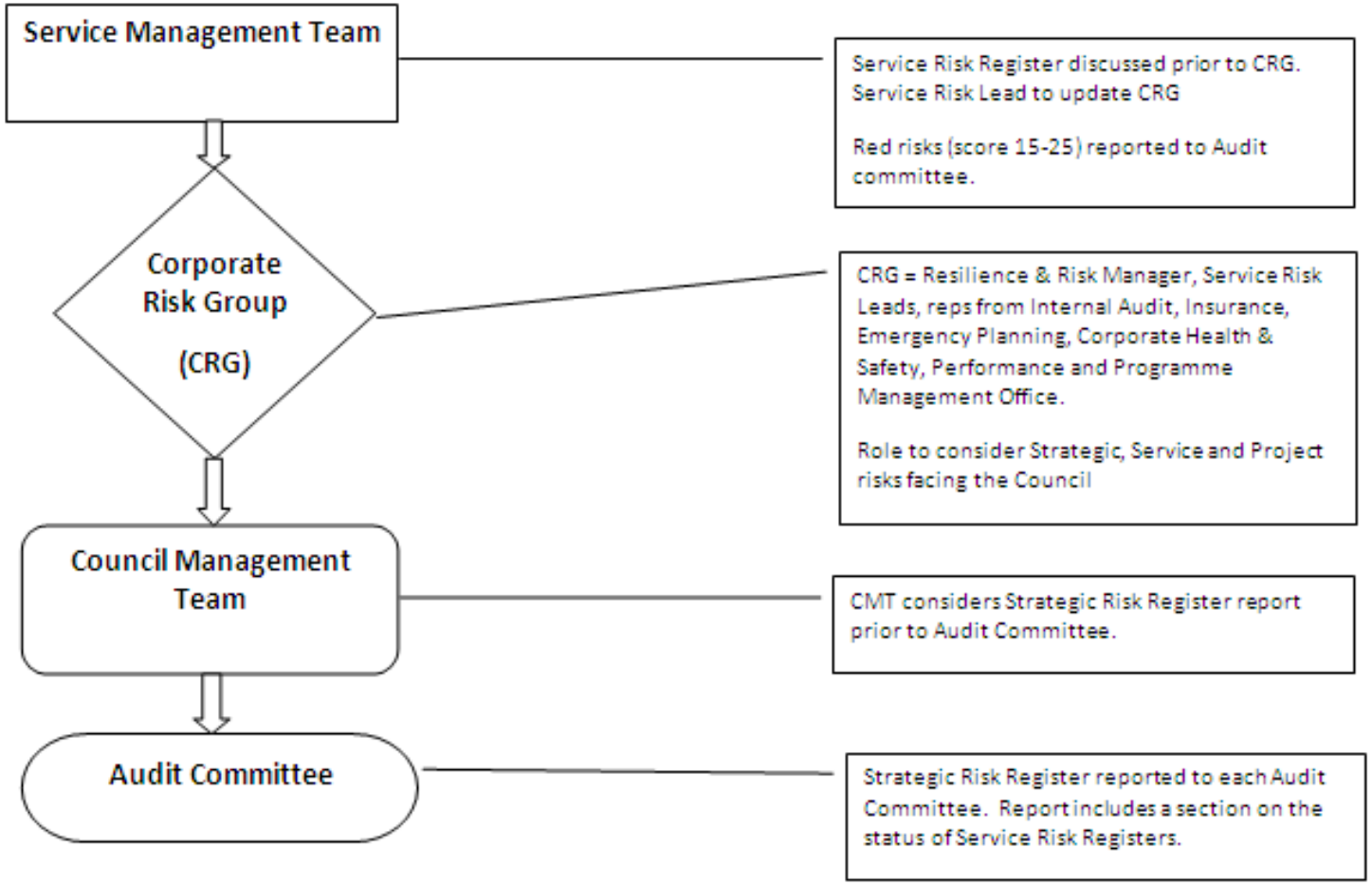
Appendix 2: Strategic Risk Management Reporting Frameworks: Example 2: Falkirk Council

Corporate Risk Management (CRM) Framework



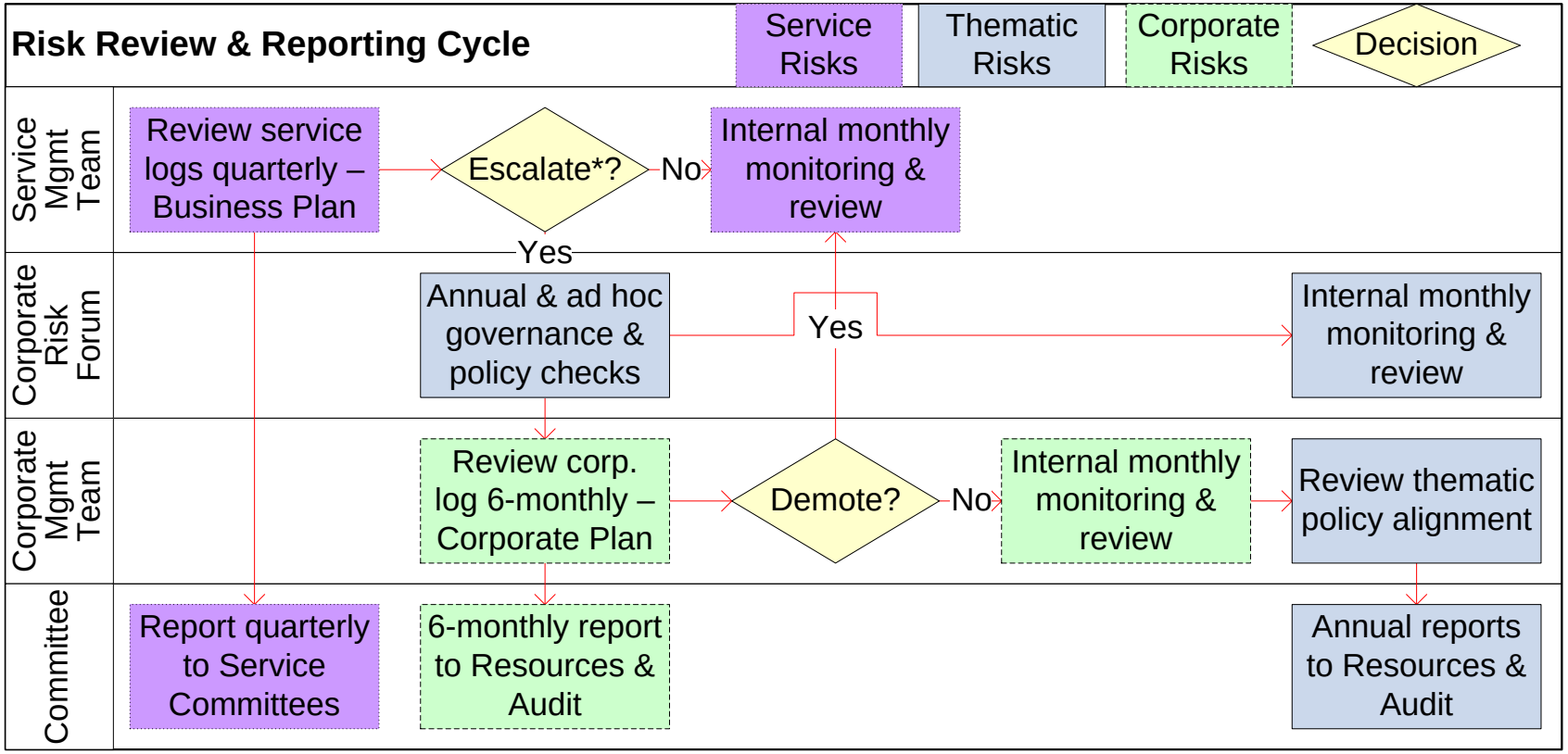
Appendix 3: Strategic Risk Management Reporting Frameworks: Example 3: Stirling Council

Corporate Risk Management (CRM) Framework

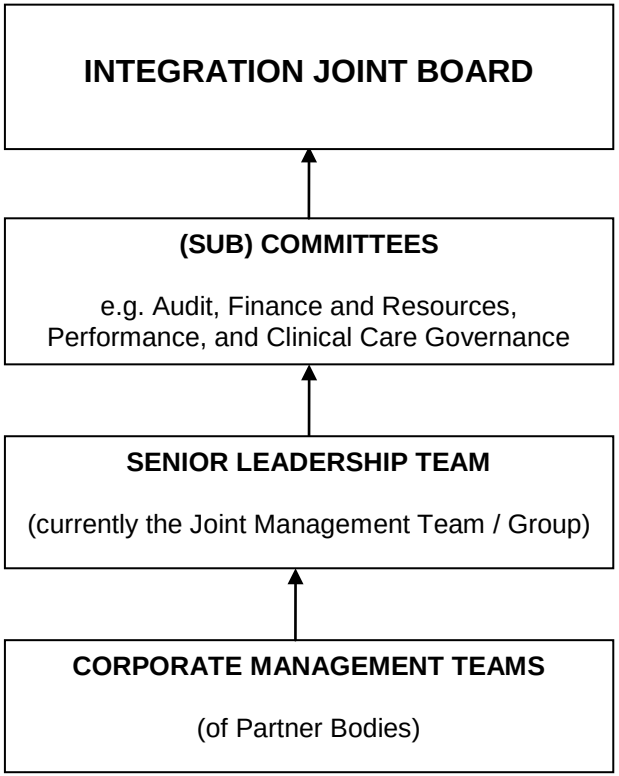


Appendix 4: Strategic Risk Management Reporting Frameworks: Example 4: Clackmannanshire Council

Corporate Risk Management (CRM) Framework



*See policy for guidance and criteria on escalation/demotion between risk registers.

Appendix 5: Strategic Risk Management Reporting Frameworks: Example 5: IJB (Draft)

This is a draft example of how risks may be escalated within the HSCP and Partner Bodies. It reflects current structures, but these may change in the coming year.