

Falkirk Health & Social Care Partnership

Risk Management Strategy

CONTENTS

1.	POLICY – THE RISK MANAGEMENT APPROACH.....	3
2.	STRATEGY – IMPLEMENTING THE POLICY	4
3.	GOVERNANCE, ROLES AND RESPONSIBILITIES	6
4.	MONITORING AND MEASURING THE EFFECTIVENESS OF RISK MANAGEMENT ARRANGEMENTS.....	8
5.	COMMUNICATION AND TRAINING	8
	APPENDIX 1: STRATEGIC RISK MANAGEMENT REPORTING FRAMEWORKS - NHS FORTH VALLEY	9
	APPENDIX 2: STRATEGIC RISK MANAGEMENT REPORTING FRAMEWORKS - FALKIRK COUNCIL.....	10
	APPENDIX 3: FALKIRK IJB REPORTING STRUCTURE – SEPTEMBER 2016	11
	APPENDIX 4: RISK ASSESSMENT TEMPLATE	12
	APPENDIX 5: RISK SCORING GUIDANCE AND MATRIX.....	13

DOCUMENT HISTORY

Document Title:	DRAFT Falkirk HSCP Risk Management Strategy	Lead Reviewer:	Hugh Coyle and HSCP Programme Manager
Owner:	Falkirk Council and NHS Forth Valley Risk Management Leads	Superseded Version:	Version 1: Approved March 2016
Version No:	Version 2.3 – 14 arch 2017	Next Review Date:	March 2019

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 – 2**.
- 1.2 The Integration Joint Board (IJB) risk review and reporting arrangements form part of the IJB's broader governance arrangements – including audit, clinical and care governance, and performance management. These are outlined within the IJB Reporting Structure at **Appendix 3**, which was agreed by the IJB in September 2016.

- 1.3 The IJB's Strategic Plan defines their approach to risk as:

“the partnership is able to identify, manage and tolerate risk, and staff are supported in being able to work in different ways, to support personal outcomes”

- 1.4 The 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.
- 1.5 The IJB will ensure that a robust and transparent system of clinical governance and risk management is in place to assure the IJB, the public, and other stakeholders. This involves providing 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.
- 1.6 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.
- 1.7 Clinical governance and risk management are inextricably linked.
- 1.8 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, (their) carers, and visitors is a top priority for the organisation.
- 1.9 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, (their) carers, and the IJB.

1.10 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.

1.11 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.

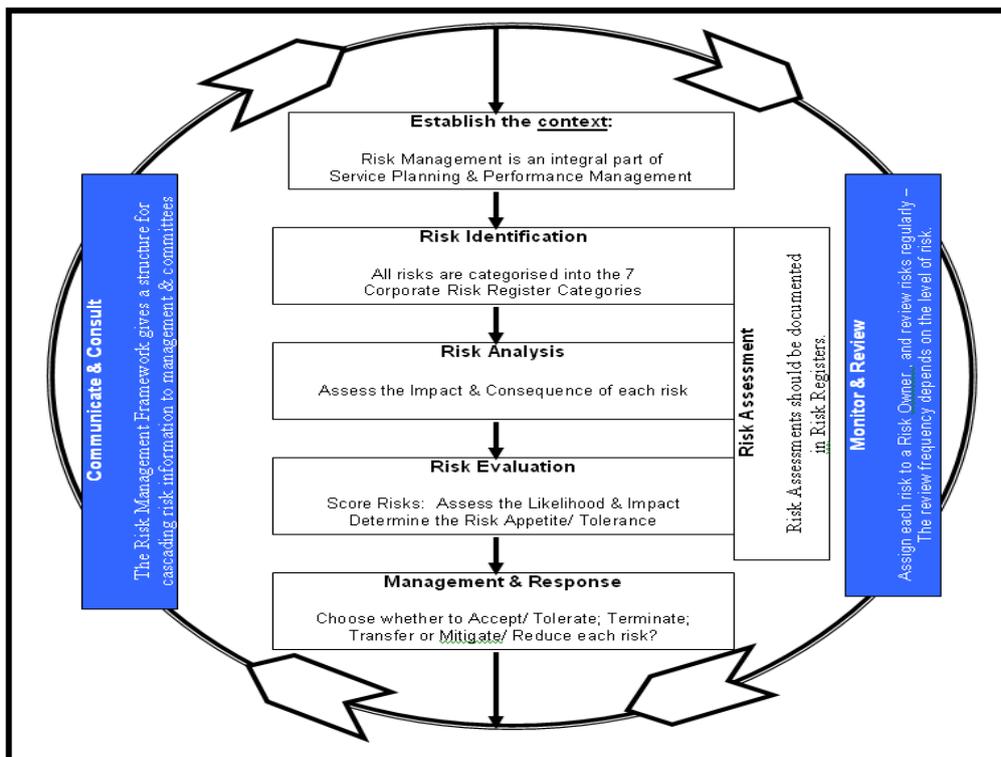
2. STRATEGY – Implementing the policy

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, 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 The following templates are provided (and will be continuously improved):

- **Appendix 4:** Risk Register Template
- **Appendix 5:** Risk Scoring Guidance and Matrix

2.5 Risk affects every activity to a greater or lesser degree and failure to acknowledge this can lead to serious consequences – including harm, poor outcomes, 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 HSCP Leadership Group.
- **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 HSCP Leadership Group and IJB and 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 group and proposed to be treated as corporate risks.

- **Transformation and Project Risks:** This includes the risks (opportunity or threats) to successfully delivering transformation. These should be managed by the Service Transformation Programme Board and Work Streams. Where a risk could impact upon the IJB's Strategic Plan they should be escalated to the HSCP Leadership Group and IJB and treated as strategic risks.

- 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 IJB's tolerance for risk and available options for managing risk.
- 2.8 Risks will be scored consistently using the Risk Scoring Guidance and Matrix (at Appendix 5), and will be analysed 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 for Falkirk Council and NHS Forth Valley will work together to ensure that lessons learnt are identified and shared.

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 HSCP Leadership Group

Members of the HSCP Leadership Group 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;
- ensuring that the Lead Officers for each strategic risk (in conjunction with work streams, where appropriate) provide regular updates to the Leadership Group;
- 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 Audit Committee

The Audit Committee are responsible for reviewing risk management arrangements and receiving regular risk management updates and reports.

3.6 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 / 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.

3.7 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, Lead Officers for risks, (sub) committees, clinical and non clinical risk managers / advisors (including Lead Officers and work streams for risks), and health and safety advisors.

3.8 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 HSCP Leadership Group and IJB when they exceed their risk tolerance and / or where they may affect the achievement of the IJB's Strategic Plan.

4. Monitoring and measuring the effectiveness of risk management arrangements

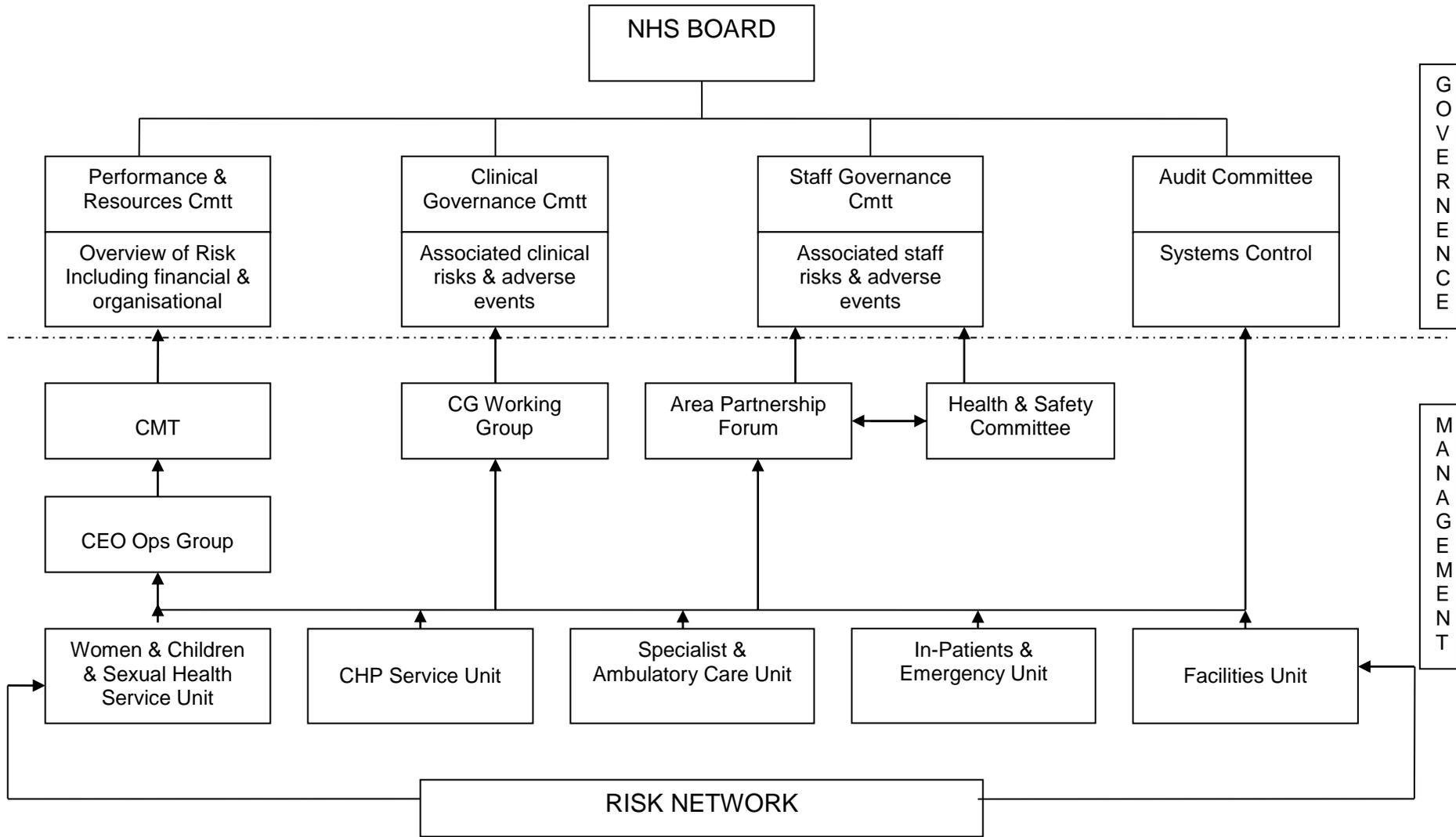
- 4.1 The IJB operates in a dynamic and challenging environment. A suitable system is required to ensure risks are monitored for change in context, scoring, and controls.
- 4.2 Risk and performance management is key to the effective delivery of strategic objectives. Monitoring will include review of the IJB's risk profile by the HSCP Leadership Group, Audit Committee, and Lead Officers / Work Streams.
- 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 HSCP.

5. Communication and Training

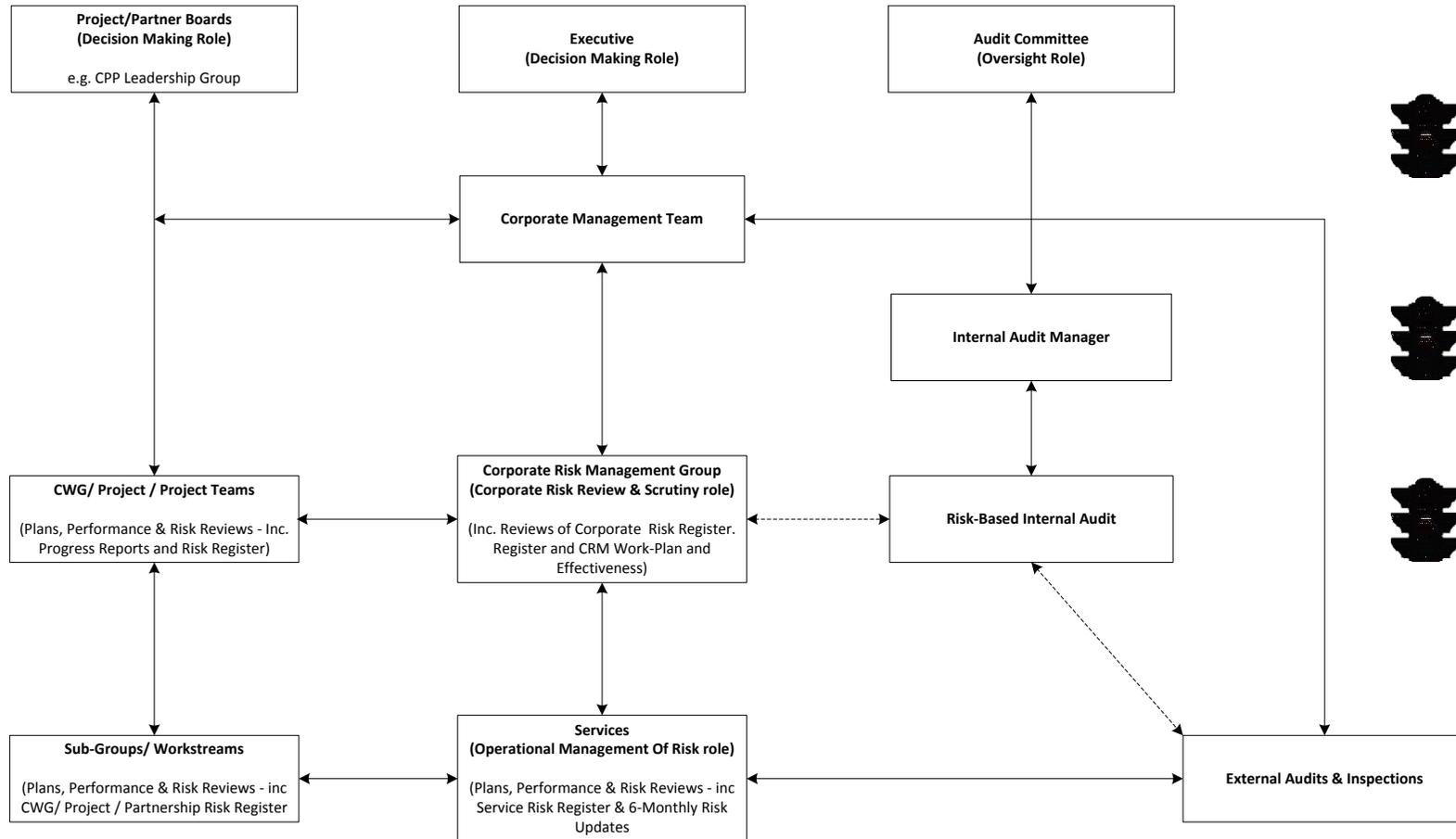
- 5.1 This strategy will be communicated cascaded to all employees by the HSCP Leadership Group.
- 5.2 Suitable guidance and training will be developed and agreed with the HSCP Leadership Group, to ensure that this strategy is implemented effectively at strategic, operational, and project levels.

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

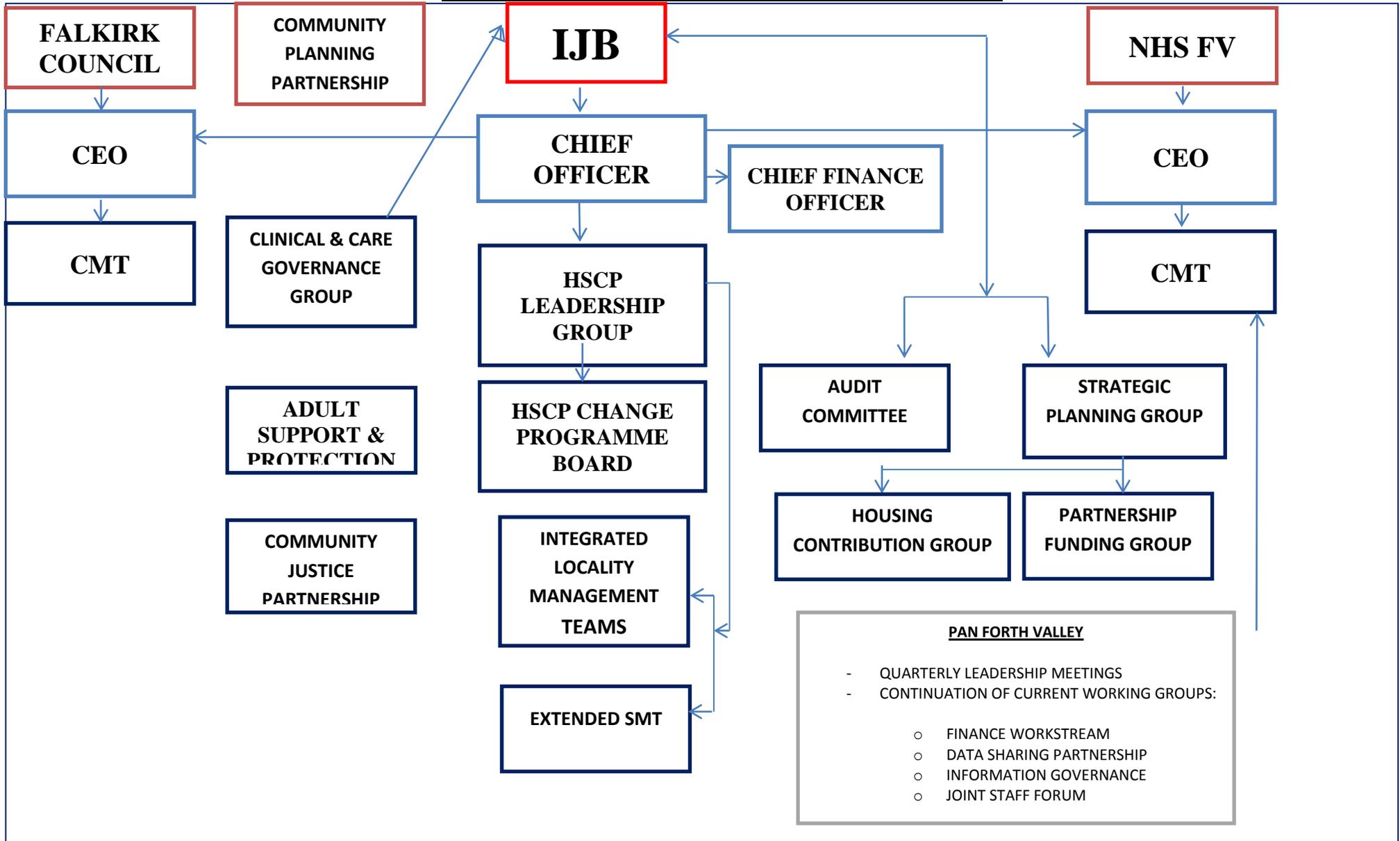
QUALITY ASSURANCE IN FORTH VALLEY
 CLINICAL GOVERNANCE RISK MANAGEMENT
 ASSURANCE, ACCOUNTABILITY AND REPORTING FRAMEWORK



Appendix 2: Strategic Risk Management Reporting Frameworks - Falkirk Council
Corporate Risk Management (CRM) Framework



Appendix 3: Falkirk IJB Reporting Structure – September 2016



Appendix 4: Risk Assessment Template

Risk Title / Description	Inherent (Current) Risk (after current mitigation / controls)	Net (Target) Risk (after additional mitigation /actions)	
SHORT-TERM PRIORITIES: SIGNIFICANT INTEGRATION UNCERTAINTIES / CHALLENGES			
1. Financial Stability and Commissioning			
Lead Officer(s)	Lead Group(s)		
Risks	(Worst Case) Consequences		
Current Controls and Additional Actions (including mitigation and response)	Status and Target Date	Progress / Comments	
a)		•	
b)		•	
c)		•	
d)		•	
e)		•	
Performance Indicators / Review Mechanisms	Status and Target Date	Progress / Comments	
a)		•	
b)		•	
c)		•	
d)		•	
e)		•	

Appendix 5: Risk Scoring Guidance and Matrix

Score	Impact / Consequence				
	Financial	Reputational	Harm to People or Assets	Interruption to Services to Projects	Audit/ Legal/ Compliance
5. Severe	Extensive; spend exceeds available budgets	Sustained media interest, complaints, and / or loss of confidence	Multiple deaths and / or assets destroyed	Extended disruption or loss of service, or project delay	Severe penalty, criticism and / or legal action
4. Major	Major impact, but within budgets	National media interest and / or serious loss of confidence	Major injury, death, and / or assets destroyed	Major service disruption, loss of multiple services, or project delay	Major legal action, penalty, and / or criticism
3. Moderate	Manageable budget impact; spend exceeds risk owner's authority	Regional media interest and / or multiple complaints	Moderate injuries and / or damage	Some disruption to service, or project delay	Action required; and may result in criticism and / or penalty
2. Minor	Minimal budget impact; spend is within risk owner's authority	Local media interest and / or customer complaints	Minor injury and / or damage	Minor disruption to multiple services, or project delay	Action required; but unlikely to result in criticism and / or penalty
1. Negligible	None or little budget impact; spend is within risk owner's authority	None, or little, media interest; impact is in public domain, but managed	None or very minor injury and / or damage	None or little disruption to one service, or project delay	No or little query from audit body / regulator; but no criticism or action required

Likelihood	
5. Almost Certain	It is fairly certain that risk will occur, or has already occurred
4. Likely	There is a strong chance of the risk occurring
3. Possible	There is a reasonable chance of the risk occurring
2. Unlikely	There is a fairly low chance of the risk occurring
1. Almost Impossible	There is little evidence that the risk is likely to occur

