



Meeting of East Renfrewshire Integration Joint Board	Performance and Audit Committee
Held on	29 March 2017
Agenda Item	11
Title	Strategic Risk Register Update
<p>Summary</p> <p>This report provides the Performance and Audit Committee with an update on the IJB Strategic Risk Register.</p>	
Presented by	Candy Millard, Head of Strategic Services
<p>Action Required</p> <p>Performance and Audit Committee is asked to:-</p> <ul style="list-style-type: none"> ▪ Note and comment on the IJB Strategic Risk Register. 	

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD**PERFORMANCE & AUDIT COMMITTEE****Report by Candy Millard, Head of Strategic Services****STRATEGIC RISK REGISTER UPDATE****PURPOSE OF REPORT**

1. This report provides the Performance and Audit Committee with an update on the IJB Strategic Risk Register (SRR).

RECOMMENDATION

2. Performance and Audit Committee is asked to note and comment on the IJB Strategic Risk Register.

BACKGROUND

3. On 29 June 2016 the Business Support Manager presented to the Performance and Audit Committee the draft IJB Risk Management Policy and Strategy. At the same meeting the draft IJB Strategic Risk Register was considered.
4. The Committee agreed that following monitoring and reporting process should be implemented:-

Type of Risk	Monitored by	How often	Comments
All strategic and shared risks	HSCP Management Team	Quarterly	This will include a review of risk profile
All strategic and shared risks	Integration Joint Board	Annually	
All Strategic and shared risk	Performance and Audit Committee	Bi Annually	
Unacceptable Strategic and shared risk	Performance and Audit Committee	As required	Risks identified as red / Unacceptable by Senior Management team
Key operational risks	Senior Management Team	Quarterly	

5. The risk management policy and strategy and strategic risk register were endorsed by the Performance and Audit Committee and remitted to the IJB for approval in August 2016.
6. In accordance with the agreed monitoring policy this report provides the Performance and Audit Committee with the bi annual update of the strategic risk register.

REPORT

7. The reviewed Strategic Risk Register is attached as Appendix 1.
8. 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.

Scoring and Reporting

9. The adoption of a specific risk matrix ensures a uniform way of scoring and recording risk. The risk register uses a simple, clear and effective 4 x 4 likelihood and severity risk matrix as shown 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

10. In normal circumstances the policy states the tolerance for risk is as follows:

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

Changes to Risk Register

11. Two risks associated with the establishment of the IJB and implementation of the Public Bodies legislative requirements have been removed these were the risk of CHCP to HSCP transition and the risk of Governance Framework Failure has been removed. The IJB, Performance and Audit Committee and Clinical and Care Governance Committee are all now fully established, and the revised roles and relationships with NHSCC and ERC have been clarified

Red and Significant Risks Exception Report

12. Risks which score between 11-16 and rated as High /Red / Unacceptable and those which the Health and Social Care Partnership Management Team considers significant, should be brought to attention of the PAC by an “exception report”.
13. Financial Sustainability has moved to a high/red risk. This risk is that the HSCP could become unsustainable due to one of the following causes:
 - Unable to deliver in full the existing savings and achieve new savings to deliver a balanced budget
 - Unable to influence future funding to recognise demographic & other pressures, or realise future efficiencies & savings
 - Implications if current practice of risk sharing for prescribing ceases or changes from hosted services funding structure
14. The HSCP’s Chief Finance Officer has brought regular updates on partnership funding, actions and risks to the Integration Joint Board and discussed the emerging issues in seminar briefings. The reserves strategy recognises longer term change is required to ensure future sustainability and allows for phased implementation of saving delivery.
15. Bonnyton House has been added to the Strategic Risk Register. The risk is that failure to sell to third party buyer results in inability to achieve saving, budget pressures and uncertainty for staff for residents resulting in reputational damage to HSCP and Council. This risk has been mitigated by the decision of the Council to contribute £425K to the IJB, which significantly reduces the financial pressure to the IJB in 2017/18 and allow time to pursue an alternative buyer. We are advised by Grant Thornton and Christies that there is still some interest in the market, therefore the risk is currently assessed to be within tolerable limits.

CONCLUSIONS

16. The IJB Strategic Risk register has been reviewed and updated to reflect the full establishment of the Integration Joint Board, financial pressures and risks associated with the sale of Bonnyton House.

RECOMMENDATIONS

17. Performance and Audit Committee is asked to note and comment on the IJB Strategic Risk Register.

REPORT AUTHOR AND PERSON TO CONTACT

Candy Millard Head of Strategic Services
candy.millard@eastrenfrewshire.gov.uk
0141 451 0749

Stuart McMinigal, Business Support Manager
Stuart.mcminigal@eastrenfrewshire.gov.uk

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HSCP Chief Officer: Julie Murray

BACKGROUND PAPERS

Integration Joint Board Risk Management Policy and Strategy

[PAC PAPER – JUNE 2016](#)

[PAC PAPER – 16 MARCH 2016](#)

KEY WORDS

Risk; Risk Management; Strategic Risk Register

GUIDANCE NOTES ON COMPLETING A BEST VALUE OUTCOME IMPROVEMENT PLAN

OUTCOME	ACTION REQUIRED	BY WHEN	RESPONSIBILITY ASSIGNED TO:	RESOURCE IMPLICATIONS	OUTCOME TARGET	RISK ASSESSMENT (After Controls)	PROGRESS TO DATE
<p>Most council services can be seen in terms of inputs, outputs & outcomes. 'Inputs' are what goes into a service - money, staff resources, buildings etc. 'Outputs' are what the service produces. And 'Outcomes' are what happens as the result of a service or can be summed up as the end benefit to the user. The relationship between these principles can be summarised below using Library opening hours as an example:</p>	<p>1. You should break down your Outcome into a number of tasks that are required to achieve it.</p>	<p>Insert e.g. 14-mar-98</p>	<p>1. Please include the name of the officer responsible.</p>	<p>Consider & state for implications staffing, cost</p>	<p>1. Coherent & balanced set of SMART performance targets based around the needs of customers, citizens, employees & other stakeholders.</p>	<p>1. This should show the level of risk after control measures have been put in place.</p>	<p>1. Please use key below to highlight individual status of targets:</p>
	<p>2. One Outcome may have a number of Actions Required, these should be listed and the rest of the columns completed for each of them.</p>			<p>2. State where the outcome target will be monitored (use key):</p>		<p>2. A good target should :</p>	<p>2. You will need to undertake a risk assessment of each "Action Required" and complete the Risk Assessment Form found on the attached spreadsheet. Make sure that both the Action Required and</p>
<p>Input' - Increasing library open hours by one hour.</p>			<p>(CAB) = Cabinet Sub-Ctee</p>		<p>* Relate to a service or corporate objective;</p>	<p>For more detailed guidance, please refer to the toolkit guide "Risk, Managed"</p>	
<p>Output' - A more accesible library service.</p>			<p>(DG) = Directors Group</p>		<p>* Be achievable but also stretch the organisation (Demanding)</p>		<p>(B) = Targets BEHIND schedule (RED)</p>
<p>Outcome' - Taxpayers are more culturally aware.</p>			<p>(DMT) = Directorate Level</p>		<p>* Be of a manageable number;</p>		<p>* Provide explanatory notes detailing why;</p>
			<p>(UMT) = Unit Level</p>		<p>* Both Long (typically 3-5 yrs) & Short -Term (the year ahead);</p>		<p>* Strike through the original 'by when date' & insert new target date</p>
			<p>(EXT) = Externally</p>		<p>* Financial & non-financial;</p>		
					<p>* Be under continuous review, not set in stone;</p>		<p>(C) = Targets achieved that were previously behind schedule (CAUGHT - UP) (BLUE)</p>
					<p>* Related & cascaded, so that the whole organisation/directorate/ service/unit/ understands the links between targets, & where responsibility lies for improvement.</p>		<p>* Provide explanatory notes detailing circumstances</p>
					<p>* Have a clear, stable definition so that achievement can be compared over time;</p>		
					<p>* Be easily understood</p>		<p>2. Finally record date of update in the footer & save version</p>
					<p>* Have the commitment of authority members, customers, citizens, employees & other stakeholders.</p>		
					<p>* Be readily measurable.</p>		

RISK REGISTER

Health & Social Care Partnership Integration Joint Board
IJB Strategic Risk Register

Completed by: Management Team

Date originated: 09/11/2015 **Date reviewed:** 23/03/2017

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
			Risk Score	Overall Rating	Likelihood (Probability) [L]		Impact (Severity) [I]	Risk Score [L x I]	Likelihood (Probability) [L]				
1	<p>Death or significant harm to service user / patient</p> <p>Risk of death or significant harm to a service user/patient as a result of HSCP action / inaction.</p> <p>Consequences could include:</p> <ul style="list-style-type: none"> - loss of life or long term damage and impact on service user & family - may be perceived to have been failure of care - poor workforce morale - ireputational damage 	<p>Line manager checks as part of periodic supervision</p> <p>Quality assurance framework</p> <p>The HSCP has clear & effective policies & procedures in place</p> <p>Risk assessments for service users are carried out by staff as and when required statutory inspection reports</p>	2	4	8	<p>The Heads of Children and Families and Health and Community Care will review learning and development plans re Service user / Patient preventative action by March 2017</p>	1	4	4	Head of Health and Community Care/Head of Children and Families	Mar-17	Review outcome	Head of HCC and H of C and F
2	<p>Financial Sustainability</p> <p>Risk of being unsustainable due to one of the following causes:</p> <ol style="list-style-type: none"> 1) Unable to deliver in full the existing savings and achieve new savings to deliver a balanced budget 2) Unable to influence future funding to recognise demographic & other pressures, or realise future efficiencies & savings 3) Implications if current practice of risk sharing for prescribing ceases or changes from hosted services funding structure <p>The Consequences include:</p> <ul style="list-style-type: none"> - Inability to deliver core services in current way - Possibly having to review eligibility criteria - Unable to focus on prevention, therefore conflicting with legislation 	<p>The CFO provides regular reporting to IJB and savings progress reviewed as part of budget seminars and report as well as periodically at DMT</p> <p>The Financial Strategy and Budget Updates will set out funding expectations and scenarios. The HSCP will influence budget setting process with each of our partners</p> <p>A CFO network has been created allowing discussion and decision making forum for wider issues impacting on partnerships</p> <p>A new format for monitoring savings will be implemented for 2017/18 and a formal 4 weekly finance report will be presented to DMT.</p>	3	4	12	<ol style="list-style-type: none"> 1. The HSCP's CFO budget update reports provide routine updates on partnership funding, actions and risks. Scenario planning is being developed. The reserves strategy recognises longer term change is required to ensure future sustainability and allows for phased implementation of saving delivery. 2. Financial reporting to the IJB and P&AC will continue to be developed improving the detail and transparency of financial matters. 3. The use of dedicated IJB seminars will continue to address any specific issues 	4	3	12	Chief Financial Officer	<ol style="list-style-type: none"> 1. Ongoing with 2017/18 budget to March 2017 IJB 2. Ongoing 3. As required 	<p>Financial strategy</p> <p>Budget Monitoring papers and notes of meetings</p> <p>Seminar papers</p>	CFO

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		
			Risk Score	Overall Rating	Likelihood (Probability) [L]		Impact (Severity) [I]	Risk Score [L x I]	Likelihood (Probability) [L]					Impact (Severity) [I]	Residual Risk Score
			11-16 High	5-10 Medium											
3	Failure of a Provider Risk of an operational or financial failure of a key provider, possibly due to operating under same economic & financial pressures as the partnership, including: - living wage - sleepover payments - fixed workplace - recruitment & retention - market mix & company structure (e.g. another Southern Cross) Consequences could include: - disruption to service delivery - implementing contingency plans - increased cost pressures - impact on individuals & families	Fair work practice built into refreshed current Frameworks	3	3	9	1 2 Contract management meetings with stakeholders will allow the HSCP to manage areas of identified risk with providers on a proactive basis – e.g. specific PIs will provide relevant management information to support the executive group to manage this area of risk	2	3	6		Minutes of meetings with stakeholders and committee papers	Commissioning Team			
4	Bonnyton House Failure to sell to third party buyer results in inability to achieve saving, budget pressures and uncertainty for staff and residents resulting in reputational damage to HSCP and Council	Recent withdrawal of buyer has increased this risk	4	4	16	Return to market.	3	4	12	Head of Health and Community Care	Mar-18				
5	Primary Care Capacity Insufficient primary care capacity due to inability to get cover in event of vacancy/long term illhealth resulting in	1.The HSCP has made available funding for the Nursing Home LES to be offered to two of the newly built care homes in East Renfrewshire. This is additional to core funding. 2 We will support local practices to encourage patients from out with the practice's contracted catchment area to register with a GP more local to them.	3	3	9	We will support the development of GP clusters to consider what quality measures will be implemented (March 17)	2	3	6	Clinical Director	Apr-17	Minutes of meetings, GP data	PA service		
6	Workforce planning and change 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	A II staff will be developed and supported through application of PRD / EKSF process Use of PRD and succession planning Refocus the learning and development team to meet requirements of HSCP changes Leadership development programme an	3	4	9	1. Development of workforce plan with support from East Renfrewshire Council and NHSGGC linked to strategic plan and service redesigns. II Improve partnership workforce planning working with providers by March 2018	2	3	6	Head of Strategic Services	1.01/03/2017..... 2. Sept 2016..... 3. March 2018	learning and development strategy-----workforce plan	L and D team, Head of Service PA		