



# **Plymouth City Council & Northern, Eastern and Western Devon Clinical Commissioning Group Integrated Risk Management Framework**

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Northern, Eastern and Western Devon  
Clinical Commissioning Group



## **Introduction**

Plymouth City Council and NHS Northern Eastern and Western Devon Clinical Commissioning Group (NEW Devon CCG) formed an integrated commissioning function on 1 April 2015, bringing together over £630 million of Plymouth City Council and NEW Devon CCG funding working towards a single commissioning approach, an integrated fund, and risk and benefit sharing agreements.

Clinical Commissioning Groups (CCGs) were established on 1 April 2013 under the National Health Services Act 2006 as amended by the National Health Service Act 2012. CCGs are statutory bodies which have the function of commissioning services for the purposes of the health service in England and are NHS Bodies for the purposes of the National Health Services Act 2006. CCGs are clinically led membership organisations, members being GP's in local general practices. The members of the CCG are responsible for determining the governing arrangements for their organisations, which they are required to set out in a Constitution. Plymouth City Council is a unitary authority, which means it is responsible for all local services including transport, social care and education. Many of the services provided are statutory responsibilities and others have been identified as priorities. In order to meet the challenges facing Plymouth and support the wider challenged health economy work, New Devon CCG and Plymouth City Council have established a joint programme of work known as the Integrated Health and Wellbeing Programme (IHWB).

The IHWB Programme is utilising a cooperative commissioning approach and this Risk Management Framework is designed to demonstrate the approach to, and ensure there is a system for monitoring the application of risk management, and that integrated risks to the pooled fund are actioned in accordance with the risk framework guidance.

Risk Management is a framework for the systematic identification, assessment, treatment and monitoring of risks. Its purpose is to prevent or minimise the possibility of recurrence of risks and their associated consequences, which have potentially adverse effects on stakeholders. Both Partners recognise that effective and proportionate risk management is the collective responsibility of all its staff and members. The aim of this risk management framework is to provide a systematic and consistent framework through which NEW Devon CCG and Plymouth City Council's strategic commissioning objectives are realised.

## **Background**

Public Sector organisations across the country are facing unprecedented challenges and pressures due to an aging population, increasing complexity of need and the requirement to deliver better services with less public resource. Plymouth and Devon also face a particular financial challenge because of the historic pattern of provision and pockets of deprivation and entrenched health inequalities.

Section 75 of the National Health Service Act (2006) provides the framework for health bodies and local authorities to pool money, delegate functions and integrate resources

and management structures. The framework allows for the commissioning of existing or new services and provide for arrangements for working together. A pooled fund is a single, common fund set up by partner organisations in order to meet an agreed list of partnership objectives.

The Integrated Health and Wellbeing Programme (IHWB) aims to develop an integrated whole system of health and care by 2016 based around the following elements:

**Integrated Commissioning:** Building on co-location and existing joint commissioning arrangements, the focus will be to establish a single commissioning function.

**Integrated Health and Care Services:** To focus on developing an integrated provider function stretching across health and social care providing the right care at the right time in the right place; and an emphasis on those who would benefit most from person centred care such as intensive users of services and those who cross organisational boundaries.

**Integrated system of health and wellbeing:** A focus on developing joined up population based, public health, preventative and early intervention strategies, and based on an asset based approach focusing on increasing the capacity and assets of people and place.

This integrated framework for PCC and NEW Devon CCG has been developed primarily as a tool to set out both Partners key aims and objectives for the management of those integrated risks that would impact upon the achievement of the integrated commissioning strategies and pooling of budgets. It has also been developed for the following specific reasons:-

- To comply with legal and statutory requirements,
- To assist compliance with national guidance,
- To encourage proactive risk management,
- To ensure a joined up approach is taken on risk between NEW Devon CCG and Plymouth City Council,
- To meet the CCG's commissioning responsibilities for risk management through the contracting process.

### **Scope**

This framework applies to NEW Devon CCG, and to all staff employed by it and Plymouth City Council staff with Health and wellbeing, Social Care, Commissioning and Financial responsibilities.

The CCG's key strategic risk management aims as a commissioner of health services are as follows:-

- To adopt an integrated approach to the management of risk and to integrate risk into the overall arrangements for clinical and corporate governance
- To support the achievement of the CCG's objectives
- To comply with national standards
- To have clearly defined roles and responsibilities for the management of risk
- To commission a high quality service for patients and continuously strive to improve patient safety
- To ensure that risks are continuously identified and assessed, and that they are treated, either by avoidance (by discontinuing a specific activity), taking or increasing

the risk in order to pursue an opportunity, removing the risk source, changing either the likelihood or consequence, sharing or transferring the risk, or retaining the risk by informed decision.

- To use risk assessments in informing the overall business planning/investment process in the CCG
- To encourage open and honest reporting of incidents
- To establish clear and effective communication that enables information sharing
- To foster an open culture that allows organisation wide learning

Plymouth City Council's key strategic risk management aims to help deliver improved lives for all of our citizens are as follows:-

- Support the IHWB vision "Happy, Health, Aspiring Communities"
- Approve commissioning and contracting process for Plymouth Community Healthcare
- Work together with those they serve to take joint ownership of the sustainability agenda
- Ensure systems and processes will be developed and used to make the best use of limited resources, every time
- Ensure partners move resources – both fiscal and human to the prevention and, health and wellbeing agenda.

## **Definitions of Risk**

### Risk

Risk is defined as "Uncertainty of outcome, whether positive opportunity or negative threat of actions and events". It is measured in terms of the likelihood and consequence of risk occurrence.

### Clinical Risks

Clinical risks are defined as "those risks which have a cause or effect which is primarily clinical or medical". Examples include clinical care activities, safeguarding, healthcare associated infection, consent issues and medicines management.

### Financial Risks

These are defined as those whose principal effect would be a "financial loss or a lost opportunity to deliver a financial gain". Examples include poor financial control, fraud and ineffective insurance arrangements.

### Principal Risks

These are CCG risks that have a risk rating of 15 or above and have a direct impact on a corporate objective or combined risks aggregated to affect a corporate objective that will impact more than one locality, team, department or function.

## **Specific Risk Areas**

Behind the comprehensive areas of risk above there are more clearly identified risk areas that the partners may encounter and need to manage:-

### Strategic Risks

Strategic risks can be defined as the uncertainties and untapped opportunities embedded in strategic intent and how well they are executed. As such, they can impinge on the whole organisation, rather than just an isolated department or locality.

### Change

These concern risks that programmes and projects do not deliver agreed benefits and within agreed budget and/or introduce new or changed risks that are not effectively identified and managed.

### Legal & Compliance

These include health and safety, data protection, employment practices, employment legislation, the NHS Constitution, Freedom of Information Act, Civil Contingencies Act, Deprivation of Liberty and regulatory issues.

### Operations

These concern the day to day concerns the CCG/Plymouth City Council is confronted with when striving to delivery strategic objectives. They can be anything from loss of key staff to process failure. Risk events such as failure by a third party to deliver a service for the operation, breakdown in partnership with third party, failure to manage internal change etc. Operational risks are largely short to medium term where frequency is high/medium likelihood and low to high impact.

### Information & Technology

These can be anything from loss of data to failure of a key IT system. Risk events such as a technological breakdown, loss of hard or soft copy data, failure by a third party to deliver a service, failure to manage internal change etc.

### People

These concern insufficient staff resources (capacity and capability). These risks can have a significant impact on the performance and reputation of the CCG.

### Reputational Risk

It is important that the reputations of the CCG and Plymouth City Council are protected through robust systems of communication with stakeholders. Systems of communication with external stakeholders that contribute to minimise risk need to be in place, including regular meetings, patient surveys, publications and public meetings.

## **Risk Management Controls**

The risk management controls are to:

- Maintain business continuity through integrated governance arrangements, in order to commission and deliver required services.
- Achieve specific, measureable, achievable, realistic, timed (SMART) corporate objectives.
- Improve the quality of care through a robust review and evaluation programme.
- Avoid damage to reputation, as a result of litigation or from failures in organisations from which services have been commissioned by having a process of effective corporate and clinical governance.
- Minimise avoidable financial loss, or the cost of risk transfer through a robust financial strategy.
- Minimise chances of adverse incident, risks, complaints and claims (clinical and non-clinical).
- Learn lessons and implement change.

## Culture

NEW Devon CCG and Plymouth City Council support an open, fair and positive learning culture. A culture of openness is central to improving patient safety and the quality of healthcare systems. Encouraging openness and honesty about how and why things have gone wrong will help improve the safety of NHS Services. Discussion on risk in any context will be conducted in an open and honest manner.

All employees should be familiar with their respective whistle-blowing, bullying and harassment policies and procedures.

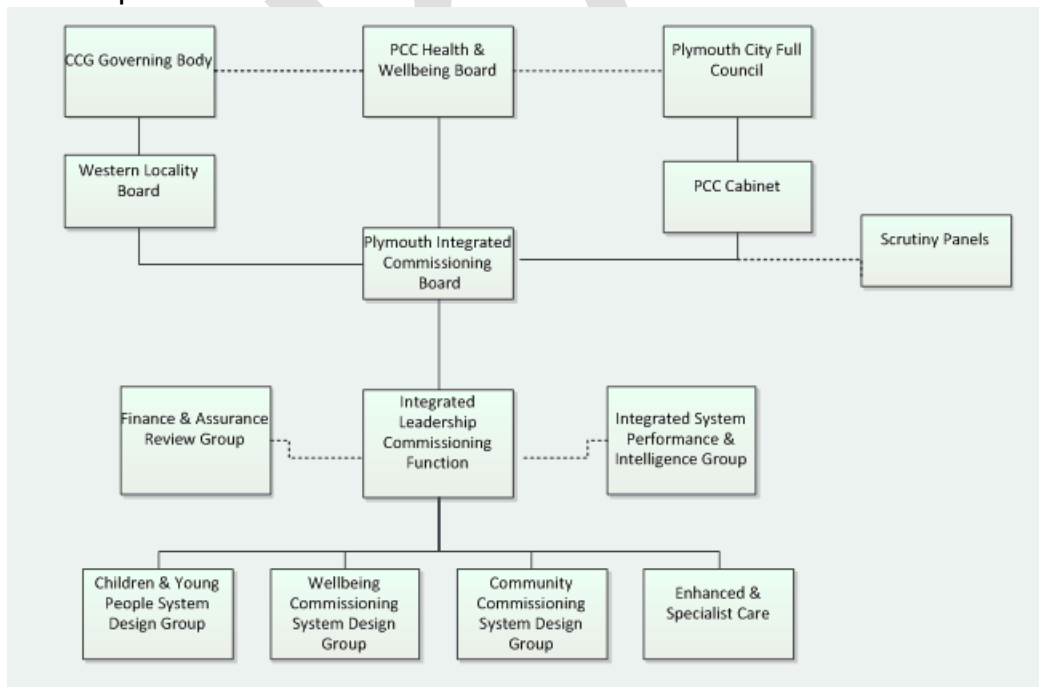
## Risk Governance Structure

Overall strategic oversight of the development of Integrated Commissioning is vested in the CCG Governing Body and Plymouth City Council's Cabinet, who shall remain the statutory and most senior decision making bodies. The Western Locality Board of the CCG will provide the oversight and direction on behalf of the CCG Governing Body. The Health and Well Being Board will provide strategic oversight of partnership working between the Partners and shall make recommendations to the Partners as to any actions it considers necessary.

The Partners have established the Integrated Commissioning Board to provide oversight and leadership for delivery of the integrated commissioning function to include ownership of the integrated risk register.

The Integrated Commissioning Board is based on a joint working group structure and will ensure compliance with each Partner's Constitutions, standards of clinical and corporate governance and management and behavioural standards expected.

Any Service specific variation to these governance arrangements must be agreed in advance in writing by Integrated Commissioning Board and must ensure appropriate oversight by the Integrated Commissioning Board and the Health and Wellbeing Board and compliance with the Financial Framework.



## Regulatory powers of Care Quality Commission and Monitor

The Care Quality Commission and Monitor (Foundations Trusts) are responsible for reviewing the performance of each provider organisation. The registration process and respective regulatory powers are a key source of assurance for the Governing Body. The Governing Body will develop robust monitoring processes of commissioned services to ensure compliance with these standards.

## Ofsted

Early years and childcare provisions are regulated by the Office for Standards in Education, Children's Services and Skills (Ofsted). Strategic commissioning is informed by a well-developed joint strategic needs assessment (JSNA). JSNAs are assessments of the current and future health and social care needs of the local community and include key information on child safeguarding issues and vulnerability.

## Internal Auditors

The Devon Audit Partnership and Audit South West (PCC and CCG internal auditors) have agreed and formalised a framework for joint working in relation to the Integrated Fund.

## Risk Management Process

Both Partners will identify and monitor risks in line with their respective risk management strategy arrangements. Risks to delivering NHS NEW Devon CCG's commissioning intentions and annual plan and risks to delivering Plymouth City Council's health and well-being priorities will be identified as part of the integrated risk management approach. The diagram at appendix A highlights the areas of common interest.

NEW Devon CCG's Head of Corporate Governance and Plymouth City Council's Head of Corporate Risk and Insurance will perform an overview of the risks contained within the integrated risk register.

Each risk will be assigned a risk owner and it will be the responsibility of that individual to ensure that the risk is appropriately described and scored, that appropriate action plans are in place to manage or reduce the level of risk, and that timely accurate updates are processed through the risk register to facilitate robust reporting.

Risks will be escalated to the integrated risk register based on the following criteria, this matrix will be reviewed annually and revised according to risk appetite:-

The following local risk matrices apply for NEW Devon CCG and PCC

	CCG Overall Score (Likelihood/consequence)	PCC Overall Score (Likelihood/consequence)	Risk Tolerance
1 Rare (Less than annual)	1-3 (Low Risk)	1-10 (Low Risk)	Acceptable but continue to monitor (manage at departmental /operational level)
2 Unlikely (Annual)	4-6 (Medium Risk)	12 (Medium Risk)	Seek to influence medium term/monitor (manage at departmental/operational

			level) Escalate report to FARG – monthly
3 Possible (Monthly)	8-12 (High Risk)	15-16 (High Risk)	PCC Escalate to Assurance Framework NEW Devon CCG Detailed governance report review required at score 12 (review at SMT/locality level)
4 Likely (Weekly)	15-25 (Very High Risk)	25 (Very High Risk)	NEW Devon CCG Escalate to Assurance Framework Detailed review required (review at Executive Committee level)
5 Almost Certain (Daily)			

## Risk Monitoring and Review

For purposes of integration all risks from both partners scoring 12 and above will be presented to FARG.

Risks should be reviewed by each owner as a matter of good practice as frequently as necessary as defined in the initial risk assessment or following the impact of actions assigned. However, at the very least as follows:-

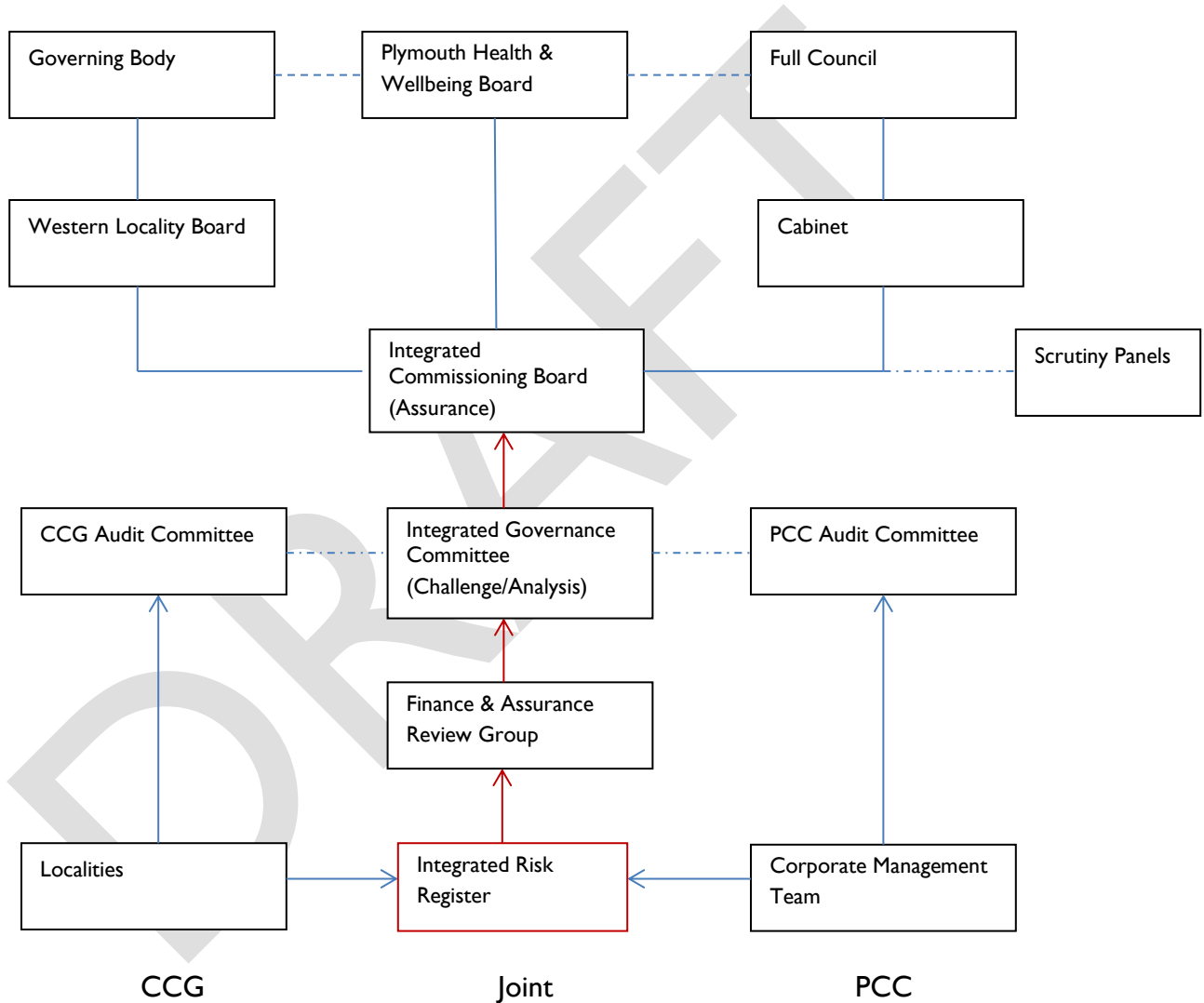
Risk register level	Review frequency	Responsibility at risk level
Team/Department	Monthly	Head of Department
Locality	Quarterly (but available to view monthly as per ToR)	Clinical Locality Chair /Senior Management Team*
Corporate	No less than Quarterly (monthly where agenda allows)	Executive Committee
Assurance framework	Quarterly	Audit and Assurance Committee report to Governing Body <i>collectively responsibility lies with individual risk holders where stated.</i>
FARG	Monthly until such time that FARG are confident that risk management for integration is robust. Then Quarterly Audit representation present on FARG through DAP and ASW	COO Western Locality PCC Head of Finance



Senior management team will present risk to FARG as above.

Risks should be reviewed to understand if the profile of each risk has altered across its constituent parts.

## INTEGRATED RISK REPORTING STRUCTURE



### Information sharing and data protection

In all instances where the CCG and Plymouth City Council share information with each other, and in the functioning of the Integrated Commissioning Board, both Partners will adhere to the relevant policies and information governance protocols of each Partner to ensure compliance with Law, in particular the 1998 Data Protection Act. Partners shall work together to establish effective arrangements to permit and control the exchange

of information to support the Integrated Commissioning arrangements. Both Partners will ensure compliance with the Information Governance (IG) Toolkit which is a Department of Health (DH) Policy delivery vehicle, and carry out self-assessments on compliance against the IG requirements.

### **Assurance Framework**

The Assurance Framework provides evidence that the Partners have systematically identified the risks to the integrated commissioning strategies and shared fund and systematically provides a vehicle for the identification of assurances and controls to the risks identified and their effectiveness.

### **Risk Strategy Review**

The Risk Management Strategies for both Partners will be reviewed and approved on an annual basis or sooner if there is a national or local requirement to do so and any changes will result in corresponding adjustments to the Integrated Risk Management Framework.

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	NEW Devon CCG strategic ambitions					Plymouth Health and Well-Being priorities				
	Preventing people from dying prematurely	Enhancing quality of life for people with long-term conditions	Helping people to recover from episodes of ill health or following injury	Ensuring people have a positive experience of care	Treating and caring for people in a safe environment and protect them from avoidable harm	To explicitly address health and well-being related inequalities	To shift the focus of investment to address prevention and health promotion	Mental health promotion	To directly address identified issues of access and take-up of specified services	To further develop services to promote independence
Commissioning Intentions										
Right care - targeting resources to best effect										
Targeted/follow-up care - targeting resources to best effect										
Elective orthopaedic care - focussing on conservative management and evidence based practice										
Non-elective care - transforming our urgent care system with a real emphasis on services for frail older people										
Individual patient placements - ensuring that individuals are cared for in the best setting to improve their outcomes and longer term goals										
Diagnostics - standardising our approach to diagnosis and										