

PLYMOUTH CITY COUNCIL

Subject: Plymouth Integrated Commissioning Risk Register Framework
Update Report

Committee: Audit Committee

Date: 3 December 2015

Cabinet Member: Councillor Lowry

CMT Member: Lesa Annear, Director for Transformation & Change

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Ref: CRM/MJH

Key Decision: No

Part: I

Purpose of the report:

The Better Care Fund has been established by the Government to provide funds to local areas to support the integration of health and social care and to seek to achieve the National Conditions and Local Objectives. It is a requirement of the Better Care Fund that the CCG and the Council establish a pooled fund for this purpose.

The Integrated Health & Wellbeing Programme is utilising a cooperative commissioning approach and the 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 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.

The Brilliant Co-operative Council Corporate Plan 2013/14 – 2016/17:

An integrated approach to the management of risk into the overall arrangements for clinical commissioning links directly to delivering the Council's Health priorities within the Corporate Plan.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

None arising specifically from this report but control measures identified in the integrated risk register could have financial or resource implications.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

None arising specifically from this report but community safety and health and safety issues and risks are taken into account in the preparation of the integrated risk register.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Not required.

Recommendations and Reasons for recommended action:

The Audit Committee is recommended to:

- Note and endorse the current position with regard to the Integrated Risk Register Framework.

Alternative options considered and rejected:

Effective risk management processes are an essential element of internal control and as such are an important element of good corporate governance. For this reason alternative options are not applicable.

Published work / information:

Plymouth City Council's Risk & Opportunity Management [Strategy](#)
 NEW Devon Clinical Commissioning Group Risk Management [Strategy](#)

Background papers:

None.

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Sign off:

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Originating SMT Member: Assistant Director for Finance													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

1. Introduction

- 1.1** 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.

2. Background

- 2.1** 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.
- 2.2** 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.
- 2.3** An Integrated Risk Management Framework is being drawn up between the partner organisations, overseen by the Finance and Assurance Review Group (FARG), to adopt an integrated approach to the management of risk and to integrate risk into the overall arrangements of the pooled fund.
- 2.4** Plymouth's Risk Management Team and the CCG's Head of Corporate Governance are working collaboratively to produce an integrated risk register in order that we can share risk and realise benefits in relation to the pooled fund.

3. Risk Management Framework Process

- 3.1** Both Partners will identify and monitor risks in line with their respective risk management strategy arrangements. Risks to identifying NHS NEW Devon CCG's commissioning intentions and annual plan and risks to delivering Plymouth City Council's health and wellbeing priorities will be identified as part of the integrated risk management approach.
- 3.2** 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.
- 3.3** 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 their respective organisational risk registers using the risk matrix shown on page 7 of the draft framework document.
- 3.4** Risks scored 12 and above will be presented to FARG for review prior to proceeding through the Assurance Framework process.

4. Integrated Risk Register

4.1 The register will eventually contain financial risks as well as shared operational and commissioning risks although more work is required between Partners to establish the criteria for inclusion due to their commercially sensitive nature.

4.2 Further work is also required on the future integrated risk reporting structure so as to avoid duplication of effort and streamline the process.

5. Conclusion

5.1 Both Partners have embedded risk management strategies in place that support the integrated approach to managing risks to the shared fund and will ultimately include risks to the wider commissioning and operational areas.

5.2 Risk sharing principles for health integration have been agreed between Partners as part of the Section 75 agreement. These principles will be revisited on an annual basis at the same time the Section 75 agreement is reviewed to ensure there have not been any significant changes.

5.3 Risk management is an integral part of good corporate governance. This framework provides the foundation and a common infrastructure for delivering, maintaining and governing risk management within the integrated commissioning function.