

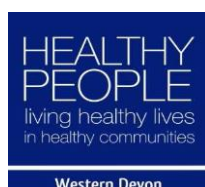


Plymouth City Council & Northern, Eastern and Western Devon Clinical Commissioning Group

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 £462 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 or clinicians 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 One System, One Aim.

The One System, One Aim Programme is utilising a cooperative commissioning approach and this Integrated 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 integrated 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 provides 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 One System, One Aim Programme is intended to develop an integrated whole system of health and care based around the following elements:

Wellbeing

- Sustain the improvement in healthy life expectancy and health inequality and reduce both all age all cause deaths due to cancer, stroke, heart disease, and respiratory disease.
- Commission only from providers who have a clear and proactive approach to health improvement, prevention of ill health, whole person wellbeing and working within the wider community in which they operate.
- Place health improvement and the prevention of ill health at the core of our planned care system, demonstrably reducing the demand for urgent and complex interventions and yielding improvements in health and the behavioural determinants of health in Plymouth.

Children and Young People

- Deliver prevention and early help; intervene early to meet the needs of children, young people and their families who are 'vulnerable' to poor life outcomes.
- Deliver an integrated education, health and care offer; ensure the delivery of integrated assessment and care planning for our children.
- Keep our children and young people safe; ensure effective safeguarding and provide excellent services for children in care.

Community

- Provide integrated services that meet the whole needs of the person.
- Reduce emergency attendances and admissions to hospital for all ages.
- Provide person centred, flexible and enabling services for people who need on-going support to help them to live independently.

Enhanced and Specialised Care

- Create Centres of Excellence for enhanced and specialist services.
- Ensure people are able to access care as close to their preferred network of support as possible.
- Provide high quality, safe and effective care, preventing escalating need and intervention.

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 and strategic priorities
- 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 One System, One Aim programme
- Approve commissioning and contracting process for Livewell Southwest

- 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 prevention and the health and wellbeing agenda.

Definition of 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.

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 Plymouth & West Devon Integrated Commissioning Board (PWICB) to provide oversight and leadership for delivery of the integrated commissioning function to include ownership of the integrated commissioning risk register.

PWICB 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 PWICB and must ensure appropriate oversight by PWICB and the Health and Wellbeing Board and compliance with the Financial Framework.

Integrated Commissioning Finance and Assurance Review Group (FARG)

To support the cooperative commissioning approach. The Finance and Assurance Review Group was formed in May 2015 with membership from both organisations. The purpose of the group is to provide oversight, scrutiny and assurance of the Integrated Fund on behalf of the Plymouth & West Devon Integrated Commissioning Board and contribute to the overall process of financial planning, control and review. The group will also monitor compliance with each organisation's published standards and controls and review risks on the Integrated Commissioning Risk Register.

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 commissioning risk management approach.

NEW Devon CCG's Head of Governance and Plymouth City Council's Head of Assurance will perform an overview of the risks contained within the integrated commissioning 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.

Risk Appetite

Risk appetite is the amount of risk, on a broad level that both Partners are willing to accept in pursuit of value. It is strategic and reflects both organisations risk management philosophy, and in turn influences both organisations culture and operating style. Risk appetite guides resource allocation and provides the infrastructure necessary to effectively respond to and monitor risks. Our aim is to consider all options to respond to risk appropriately and make informed decisions that are most likely to result in successful delivery of benefits whilst also providing an acceptable level of value for money.

The acceptance of risk is subject to ensuring that all potential benefits and risks are fully understood and that appropriate measures to mitigate risk are established before decisions are made. We recognise that the appetite for risk will vary according to the activity undertaken and hence different appetites and tolerances to risk apply. Specifically, our approach is to minimise exposure to compliance, regulation, safeguarding and reputation risk, whilst accepting and encouraging an increased degree of risk in other areas in pursuit of our strategic and business objectives as illustrated in the diagram and statements below:-

Residual Risk Level		Low	Low/Med	Medium	High	Very High
Plymouth City Council Residual Risk Score		1-10	12	15-16	20	25
NEW Devon CCG Residual Risk Score		1-3	4-6	8-12	15-20	25
Risk Category	Strategic	Green	Yellow	Orange	Red	Red
	Change	Green	Green	Yellow	Orange	Red
	Legal, Compliance & Safeguarding	Green	Yellow	Orange	Red	Red
	Financial	Green	Yellow	Orange	Red	Red
	Operations	Green	Green	Yellow	Orange	Red
	Information & Technology	Green	Green	Yellow	Orange	Red
	People	Green	Green	Yellow	Orange	Red
	Reputational	Green	Yellow	Orange	Red	Red

Lower Risk/Higher Appetite		Higher Risk/Lower Appetite		
Risk Appetite Scale	Acceptable but continue to monitor (manage at departmental/operational level)	Seek to influence medium term/monitor (manage at departmental/operational level – consider escalation to Integrated Commissioning Risk Register if cannot be managed at Dept. level)	Escalate to Integrated Commissioning Risk Register – FARG to review quarterly to consider whether further assurance is required	Escalate to Integrated Commissioning Risk Register – FARG to ensure a detailed review is undertaken at Executive level

Risk Categories

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 & Safeguarding

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.

Financial

The CCG and Plymouth City Council acknowledge the responsibility they have for administration of public funds, and wish to emphasise to both the public and employees the importance placed upon probity, financial control and honest administration. Financial Regulations provide the framework for managing financial affairs and should be adhered to at all times.

Operations

These relate to the day to day concerns the CCG/Plymouth City Council is confronted with when striving to deliver 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 or budget 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 both 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.

Project Risks

Risks relating to the One System, One Budget Project will be escalated to the integrated commissioning risk register on the decision of the Programme Board who is responsible for providing approvals and decisions affecting programme progress and delivery throughout the programme.

Risk Monitoring and Review

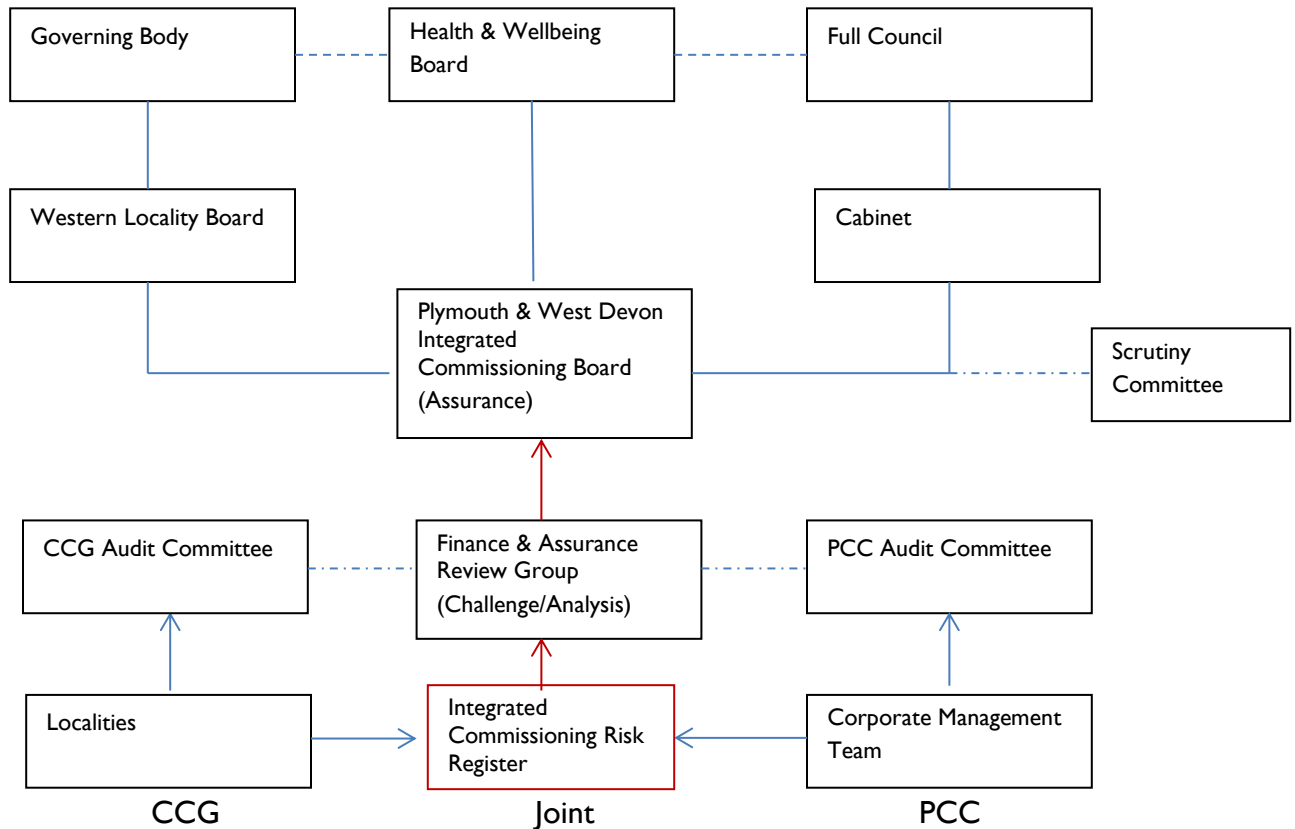
For purposes of integration all risks from both partners scoring in the High Risk category and above will be presented to FARG.

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 collectively <i>responsibility lies with individual risk holders where stated.</i>
FARG	Quarterly Audit representation present on FARG through DAP and ASW	COO Western Locality PCC Head of Integrated Finance

Senior management team will present risks to FARG as above. Members of FARG will make the decision to present risks in Part I or Part II Committee Reports depending on the commercial sensitivity of each risk. Committee Reports shall be formally recorded and submitted to the PWICB.

INTEGRATED COMMISSIONING 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.

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 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.