



**REPORT TO:** HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –  
21 APRIL 2021

**REPORT ON:** TAYSIDE INTEGRATION JOINT BOARD RISK MANAGEMENT STRATEGY

**REPORT BY:** CHIEF FINANCE OFFICER

**REPORT NO:** DIJB20-2021

**1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to recommend for approval a revised Tayside IJB's Risk Management Strategy.

**2.0 RECOMMENDATIONS**

It is recommended that the Integration Joint Board (IJB):

- 2.1 Notes the content of this report and approves the revised Tayside IJB's Risk Management Strategy as attached as Appendix 1 to this report.
- 2.2 Instructs the Chief Finance Officer to review the IJB's Risk Management Policy and report back to the board should this require to be amended following adoption of the revised Risk Management Strategy.
- 2.3 Instruct the Chief Finance Officer to arrange a development session on risk management for IJB members by the end of June 2021.

**3.0 FINANCIAL IMPLICATIONS**

3.1 None.

**4.0 MAIN TEXT**

**4.1 Background**

4.1.1 At its meeting of the 4<sup>th</sup> May 2016, Dundee Integration Joint Board adopted a Risk Management Strategy and Policy which had been developed in partnership by the three Tayside Health and Social Care Partnerships, the three Tayside local authorities and NHS Tayside (Article XIII of the minute refers). This fulfilled a commitment in the Integration Schemes to jointly develop such a strategy. The purpose of the strategy was to ensure the:

*“Identification, assessment and prioritisation of risk related to the delivery of services, particularly those which are likely to affect the Integration Joint Board’s delivery of the Strategic Plan;*

*Identification and description of processes for mitigating these risks; and*

*Agreed reporting standards.”*

- 4.1.2 While this framework has remained in place since then, it has been acknowledged that it was developed prior to the “lived experience” of integration by all parties involved. Subsequent internal audit reviews of Risk Management Arrangements across the individual IJB’s have made a range of recommendations around strengthening risk management within each IJB and with their partner bodies. Furthermore, as IJB’s have themselves developed better practice in relation to risk management over the last 5 years it was considered appropriate to review and strengthen the current overarching risk management strategy.
- 4.1.3 A Tayside Risk Management Group was formed with risk management leads from each of the Tayside Health and Social Care Partnership’s, local authorities and NHS Tayside. The group has worked together over the last 18 months (with considerable disruption due to the covid pandemic response) to review the current framework and consider what areas remain valid and where it needs enhanced to reflect experience to date and learning from all parties, including consideration of examples of best practice. Given the benefits of working together across Tayside while developing the revised strategy, the group as agreed to continue to meet on a regular basis to take forward risk management arrangements including continued development of best practice.
- 4.1.4 The revised framework is attached at Appendix 1 to this report and sets out the risk management approach and vision, how the strategy will be implemented and sets out expectations around risk leadership and accountability, resourcing risk management, training, learning and development, monitoring and reporting and communication. The IJB’s individual risk management policies sit underneath this framework and it is recommended that these are reviewed to take into consideration the areas of development in the framework (e.g. establishment of a risk appetite for each IJB). In relation to Dundee IJB, the relevant committee discharged with responsibility for risk management arrangements is the Performance and Audit Committee (PAC) and the further development of local reporting arrangements will be led by the PAC. The IJB’s risk register will be presented to the IJB at least annually. This further development work will include consideration of what form risk assurance will be provided to and from partner bodies and other stakeholders. The IJB must develop a risk appetite to guide its decision making process
- 4.1.5 In order to enhance the risk management approach within the IJB it is recommended that a development session on risk management is arranged by the end of June 2021.

## **5.0 POLICY IMPLICATIONS**

- 5.1 This report has been screened for any policy implications in respect of Integrated Impact Assessment. There are no major issues.

## **6.0 RISK ASSESSMENT**

- 6.1 This report has not been subject to a risk assessment as it does not require any policy or financial decisions at this time.

## **7.0 CONSULTATIONS**

- 7.1 The Chief Officer and the Clerk were consulted in the preparation of this report.

## **8.0 DIRECTIONS**

- 8.1 The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in sections 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Dundee City Council and NHS Tayside.

Direction Required to Dundee City Council, NHS Tayside or Both	Direction to:	
	1. No Direction Required	✓
	2. Dundee City Council	
	3. NHS Tayside	
	4. Dundee City Council and NHS Tayside	

**9.0 BACKGROUND PAPERS**

9.1 None.

Dave Berry  
Chief Finance Officer

**DATE:** 12 April 2021



## APPENDIX 1



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# Integration Joint Boards

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## Risk Management Strategy



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## The Risk Management Approach and Vision

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- 1.1 The Integration Joint Boards (IJBs) are committed to a culture where the workforce is encouraged to develop new initiatives, improve performance and achieve goals safely, effectively and efficiently by appropriate application of good risk management practice.
- 1.2 In doing so the aim is to provide safe and effective care and treatment for patients and clients, and a safe environment for everyone working within the IJBs and others who interact with the services delivered under their direction.
- 1.3 The IJBs believe 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 objectives, better clinical, care and financial outcomes, achievement of targets and fewer unexpected problems.
- 1.4 They purposefully seek to promote an environment that is risk 'aware' and strive to place risk management information at the heart of key decisions. This means that the IJBs can take an effective approach to managing risk in a way that addresses significant challenges and enable positive outcomes.
- 1.5 The IJBs promote the pursuit of opportunities that will benefit the delivery of their Strategic and Commissioning Plans. Opportunity-related risk must be carefully evaluated in the context of the anticipated benefits for patients, clients and the achievement of strategic aims.
- 1.6 The IJBs will receive assurance reports, including internal and external audit reports, 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 their wider governance arrangements. The IJB's will share the findings of such reports with each other to ensure consistency of good practice across the Tayside region in line with information sharing protocols.
- 1.7 The IJBs, through the following risk management strategy, have established a Risk Management Framework, (which covers risk policy, procedure, process, systems, risk management roles and responsibilities).

### **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;
- supports delivery of key aims and objectives – priorities and outcomes
- high levels of morale and productivity;
- better use and prioritisation of resources;
- high levels of user experience/ satisfaction with a consequent reduction in adverse events, claims and/ or litigation; and
- a positive reputation established for the Integration Joint Boards.



- 2.4 The IJB's risk management framework harnesses the activities that identify and manage uncertainty, allows it to take opportunities and to take managed risks not simply to avoid them, and systematically anticipates and prepares successful responses. A key consideration in balancing risks and opportunities, supporting informed decision-making and preparing tailored responses is to establish the IJB's risk appetite in relation to its strategic risks.
- 2.5 Risk appetite provides a framework which enables an organisation to make informed management decisions. By defining a risk appetite IJBs will clearly set out thresholds around which risks can be tolerated and hence where the IJB is willing to operate, the extent to which risks need to be managed and at which point they should be escalated. Consideration may also be given to the optimal or target range within which risks should sit and where the IJB aims to operate. These thresholds are for IJBs to determine and although there are advantages to statutory partners having similar appetites this may not be possible to achieve. Variance in this regard, although accepted as a practical reality, needs to be borne in mind when considering the nature of identified risks, how they are similarly identified and within partner bodies and then how they are managed/controlled accordingly.

The benefits of adopting a risk appetite include:

- Supporting informed decision-making;
  - Reducing uncertainty;
  - Improving consistency across governance mechanisms and decision-making;
  - Supporting performance improvement;
  - Focusing on priority areas within an organisation;
  - Informing spending review and resource prioritisation processes.
- 2.6 When developing its risk appetite, an organisation needs to consider a range of issues, including the norms of the environment and the sectors in which it operates, its own culture, as well as governance and decision-making processes. It also needs to consider its ability to implement this risk appetite.

### **3. Application of good risk management across the IJB activities**

- 3.1 Standard procedures (3.1 – 3.9) will be implemented across all areas of activity that are under the direction of the IJBs in order to achieve consistent and effective implementation of good risk management.
- 3.2 Risk management information will (wherever possible) be used to guide major decisions alongside other factors that require consideration as part of an impact assessment. All decision papers will overtly reference risk and any links to the IJB Strategic Risk Register.
- 3.3 Development, escalation and horizon scanning of risk involving key stakeholders and subject experts who have knowledge and experience of the activity or process under consideration.
- 3.4 Appropriate ownership of risk: IJB Strategic risks will be owned by/assigned to and managed by those individual/s who are best placed to oversee the risk and manage the development of any new risk controls required by the Chief Officer of the relevant IJB in conjunction with Senior Management from NHS Tayside and the Local Authority.
- 3.5 Consistent application of the agreed risk matrix to analyse risk in terms of likelihood of occurrence and potential impact, taking into account the effectiveness of risk control measures in place. The risk matrix to be used is attached in Appendix 1.
- 3.6 Consistent response to risk that is proportionate to the level of risk and risk appetite..

- 3.7 Implementation and maintenance of risk registers as a means of collating risk information in a consistent format allowing comparison of risk evaluations, informed decision-making in relation to prioritising resources and ease of access to information for risk reporting.
- 3.8 The Integrated Joint Board or delegated Committee will routinely receive risk management reports from the Chief Officer or Chief Financial Officer for agreement or approval at least bi-annually.
- 3.9 The IJB or delegated Committee shall receive an annual Risk Management Report which provides an overt conclusion of the adequacy and effectiveness of the IJB's risk management arrangements and the application of this risk management strategy.
- 3.10 As noted in sections 2 and 4 above, the Chief Officer shall prepare local procedures which allow for detailed review, response and escalation of operational risks which take account of other governance and management structures operated by the IJB and its partners including in particular, arrangements for Clinical and Care, Staff and Information Governance.

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## Risk Leadership and Accountability

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### 4. Governance, roles and responsibilities

#### 4.1 Integration Joint Boards and/or delegated Committee

Members of the Integration Joint Boards, including as members of the appropriate delegated Committee are responsible for:

- oversight of the IJBs risk management arrangements including seeking assurance that these are effective;
- receipt, review and scrutiny of reports on strategic risks and any key operational risks that require to be brought to the IJBs attention; and,
- ensuring that all IJB Board and Standing Committee papers adequately explain associated risks and overtly refer to the IJB Risk Register where relevant

#### 4.2 Chief Officer

The Chief Officers have overall responsibility for the IJBs 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 Officers will keep the Chief Executives of the IJBs partner bodies (Council and Health) informed of any significant existing or emerging risks that could seriously impact the IJB's ability to deliver the outcomes of their Strategic Plans or the reputation of the IJB and vice versa.

#### 4.3 Chief Financial Officer

The Chief Financial Officer will be responsible for ensuring financial risks are identified and mitigating actions identified for the consideration of the IJB and delegated Committees as appropriate.

#### 4.4 HSCP Senior Management Team

Members of the Senior Management Team are responsible (either collectively, or by nominating a specific member of the team) for:

- supporting the Chief Officer in fulfilling their risk management responsibilities;
- arranging professional risk management support, guidance and training from partner bodies;
- receipt and review of regular risk reports on strategic, shared key operational risks and escalating any matters of concern to the IJB Chief Officer; 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.

#### 4.5 Individual Risk Owners/Risk Managers

It is the responsibility of each risk owner/manager to ensure that:

- risks assigned to them are analysed in keeping with the agreed risk matrix both for probability / likelihood and consequence / impact taking into account existing controls and the potential likelihood and consequences after treatment of the risk
- data on which risk evaluations are based are robust and reliable;
- risks are defined clearly to make explicit the scope of the challenge, opportunity or hazard and the consequences that may arise;
- the whole risk is reviewed not only in terms of likelihood and impact of occurrence, but takes account of any changes in context that may affect the risk;
- controls that are in place to manage the risk or which are proposed are proportionate to the context and level of risk and are effective in practice
- risks are recorded using the relevant electronic risk management recording system framework .

#### 4.6 All persons working under the direction of the IJB within the HSCP

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 others at risk, report identified hazards and implement safe working practices developed within their service areas. This approach requires everyone to:

- understand the risks that relate to their roles and activities;
- understand how their actions relate to their own, their patient's, their services user's/ client's and public safety;
- understand their accountability for particular risks and how they can manage them;
- understand the importance of reporting incidents and/ or near misses to allow lessons to be learned and contribute to ongoing improvement of risk management arrangements; and,
- understand that good risk management is a key part of the IJB's culture.

#### 4.7 Partner Bodies

Partner bodies will continue to operate appropriate Risk Management processes for operational risk and Chief Executives of the partner bodies will ensure that processes will be put in place to alert the IJB of any strategic or operational risks which are likely to impact on the delivery of the IJB's Strategic and Commissioning Plan. The partner bodies will provide formal assurance to the IJB on the operation of their Risk Management arrangements and of the adequacy and effectiveness of key controls which could impact on the achievement of IJB objectives. The IJB will provide reciprocal assurance, including to other IJB's in their capacity as being responsible for hosted services, on its Risk Management processes and key controls.

It is the responsibility of relevant specialists including those from the partner bodies, (such as risk managers/coordinators) to attend meetings where appropriate to consider the implications of risks and provide relevant advice. However ultimate responsibility for risk remains with the individual designated risk owners / risk managers within the HSCPs.

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## Resourcing Risk Management

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### 5. **Resourcing the risk management framework**

- 5.1 Much of the work on developing and leading the ongoing implementation of the risk management framework for the Integration Joint Boards will be resourced through the Senior Management Team's arrangements (referred to in 4.4). The IJBs will work with partner bodies to ensure that the risk management function of the IJB's is adequately supported in accordance with the Integration Scheme

- 5.2 In order to facilitate the continued development and embedding of consistent risk management approaches and principles across the Tayside IJB's, a Tayside Risk Management Working Group has been established which consists of risk management leads from each of the IJB's, local authorities and NHS Tayside.
- 5.3 Where risks impact on a specific partner body and new risk control measures require to be developed and funded, it is expected that this will be taken forward by the partner organisation, within current resource where possible under the direction of the IJB and normal budget setting and financial management processes.

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## Training, Learning and Development

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### **6 Risk management training and development opportunities**

- 6.1 To effectively implement this policy and strategy, it is essential for people to have the competence and capacity for managing risk and handling risk judgements with confidence, to focus on learning from events and past experience in relation to what has worked well or could have been managed better, and to focus on identifying opportunities to improve systems and processes.
- 6.2 Training is important and is essential in embedding a positive risk management culture across all activities under the direction of the IJBs and in developing risk management maturity. The Senior Management Teams will regularly review risk management training and development needs and source the relevant training and development opportunities required through the respective partner bodies. These training requirements will include officers and IJB members as appropriate.
- 6.3 The majority of risk-related courses/ training will be delivered through resources already available to the IJB through the partner body risk management functions, including provision of risk management training to reflect integrated service arrangements. Wherever possible the IJBs will ensure that any additional risk management training requirements and costs will be kept to a minimum.

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## Monitoring and Reporting

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### **7 Monitoring risk management activity and performance**

- 7.1 Measuring, managing and monitoring risk management performance is key to the effective delivery of key objectives.
- 7.2 The IJBs operate in a dynamic and challenging environment. A suitable system is required to ensure risks are monitored for change in context and scoring so that appropriate response is made as appropriate as reflected in the features of good risk management outlined in section 3.
- 7.3 Monitoring will include formal review of the IJBs risk profile at Senior Management Team level on at least a quarterly basis taking into account all relevant strategic, operational and shared risks.
- 7.4 The HSCP Senior Management team will consider risks associated with items on their management team agenda and will consider whether any items should be added to partner bodies operational risk registers and / or considered for inclusion in the IJB's Strategic Risk Register.

- 7.5 Measuring, managing and monitoring risk management performance is key to the effective delivery of key objectives. The IJB will therefore set and monitor key performance indicators for its Risk Management processes to be reported formally at least annually as per of the annual Risk Management Report with regular reporting to the appropriate delegated committee.
- 7.6 Performance data linked to the Strategic Plans will be presented to inform the identification of new risks and / or highlight where existing risks require more attention and provides a conclusion on whether the information within the risk register required amendment.
- 7.7 Reviewing the IJBs risk management arrangements on a regular basis will also constitute a 'Plan/ Do/ Study/ Act review cycle that will shape future risk management priorities and activities of the IJB, inform subsequent revisions of this policy and strategy and drive continuous improvement in risk management across the IJB.

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## Communicating Risk Management

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### **8 Communicating, consulting on and reviewing the risk management framework**

- 8.1 Effective communication of risk management information across the IJBs, HSCPs NHS and Local Authority is essential to developing a consistent and effective approach to risk management.
- 8.1 Copies of this policy and strategy will be widely circulated via the Senior Management Teams and will form the basis of any risk management training.
- 8.2 This policy and strategy will be reviewed as a minimum once every 3 years led by the IJBs with support from the NHS and Local Authority to ensure that it reflects current standards and best practice in risk management and fully reflects the Integration Joint Boards business environment.





Appendix 1 - Risk Matrix

<b>Impact/Consequences</b>	<b>Critical/Extreme (5)</b>	5	10	15	20	25
	<b>Major (4)</b>	4	8	12	16	20
	<b>Significant/Moderate (3)</b>	3	6	9	12	15
	<b>Marginal/Minor (2)</b>	2	4	6	8	10
	<b>Negligible (1)</b>	1	2	3	4	5
		<b>Very Low/Rare  (1)</b>	<b>Low/ Unlikely  (2)</b>	<b>Low to High/ Possible  (3)</b>	<b>High/ Likely  (4)</b>	<b>Very High/ Almost Certain  (5)</b>
<b>Likelihood/Probability</b>						



## Appendix 2 - Definitions

It is acknowledged that terminology in common use can, and does, vary across organisations. Variations in terminology between the organisations contributing to this document are set out in the table below to permit a read-across between the contributing bodies, and to provide a common definition for these as appropriate.

	<b>TERMINOLOGY IN USE</b>			
<b>Angus IJB</b>	<b>Dundee IJB</b>	<b>PKC IJB</b>	<b>NHS</b>	<b>Common Definition</b>
Inherent risk (without mitigation)	Inherent Risk	Inherent Risk	Risk Exposure Rating – No Controls	The level of risk in the absence of all but the most basic of control measures
Residual risk (with mitigation)	Residual Risk	Residual Risk	Risk Exposure Rating – Current Controls	The level of risk at the current stage of implementation of control measures (also referred to as controlled risk)
Target Risk	Target Risk	Target Risk	Risk Exposure Rating – Planned/Proposed Controls	The level of risk which it is expected to be achieved with full and effective implementation of available control measures
N/A	Risk Universe	N/A	N/A	Refers to all of the organisation's risks
Risk Register	Risk Register	Risk Register	Risk Register	Comprehensive database containing the organisation's risks at both Corporate / strategic and Service / operational levels
Strategic Risks	Strategic Risks	Strategic Risks	Strategic Risks	Risks which have the potential to impact high level / strategic objectives usually held at executive level
Operational Risks	Operational Risks	Operational Risks	Service Level Risks	Risks which may impact on the day to day delivery of services usually held at service level
Project Risks	Project Risks	Project Risks	Project Risks	Risks which impact directly on the delivery of individual projects
Current Controls. Datix/Pentana/ADASTRA	Control Measures	Existing Controls	Current Controls	The things we do to influence the likelihood of a risk event happening and / or to mitigate the level of impact of a risk event if it does occur
	Pentana	Datix (operational risks)	Datix	A software solution used under licence, to maintain Risk Registers electronically. Also used for some partner and project Risk Registers and for action and performance management

	<b>TERMINOLOGY IN USE</b>			
<b>Angus IJB</b>	<b>Dundee IJB</b>	<b>PKC IJB</b>	<b>NHS</b>	<b>Common Definition</b>
Identification of 'emerging risk'	Horizon Scanning	Emerging Risk	Horizon Scanning	A medium to long term view seeking to identify risks which are 'on or over the horizon', with the intention to assess and where appropriate mitigate against them
Current Pending Treated/Archived Closed Rejected	'5 T's'	Take Treat Transfer Terminate	Current Pending Treated/Archived Closed Rejected	<p>These are the responses to risk, how we propose to deal with it in headline terms, and consist of:</p> <ul style="list-style-type: none"> <li>• Terminate – remove the risk completely</li> <li>• Transfer – e.g. to a partner or through insurance</li> <li>• Tolerate – accept the risk as-is</li> <li>• Treat – implement actions or / and put in place control measures</li> </ul> <p>The standard '4 T's' in common usage are as above. However, this can be expanded to '5 T's' to also include:</p> <ul style="list-style-type: none"> <li>• Take Opportunities – where, for example, there is scope to take increased risk in order to gain added benefit / reward</li> </ul>
N/A	N/A	N/A	Risk Category	Select from: Compliance/Legislative/Regulatory Quality (of care)/Clinical Reputational Resource Financial Resource Workforce
Risk Owner	Risk Owner	Risk Owner	Risk Owner	This is the person who is ultimately responsible for the risk and who will be the subject matter expert
Risk Manager	Risk Manager	Risk Manager	Risk Manager	This is the person who has day to day operational management of the risk and who will be responsible for monitoring the risk and coordinating any actions needed to manage the risk
Risk Review Date	Due Date	Review Date	Risk Review Date	This is the date by which the next review must take place
Likelihood	Probability	Probability	Likelihood	Frequency of the event occurring
Consequence or Impact	Impact	Impact	Consequence	Impact on the organisation should an identified risk occur
Risk Exposure Rating	Risk Score	Risk Exposure Rating	Risk Exposure Rating	Outcome based on likelihood x consequences. Determines whether a risk is red, amber, yellow or green.
Risk Appetite	Risk Appetite	Risk Appetite	Risk Appetite	