



Integrated Risk Management Strategy

Integration Joint Board

17 July 2015

Executive Summary

1. This report sets out the requirements for an integrated risk management strategy and framework for the Integrated Joint Board (IJB) and recommends that the IJB notes work underway to develop the integrated risk management strategy.

Recommendations

2. That the IJB notes work underway to develop an integrated risk management strategy and framework.
3. That the IJB approves the proposal for a risk management session to be arranged, which will build on the IJB Lothian-wide induction process. The session will help facilitate consideration of the risks associated with integration and the function of the IJB itself, articulation of a risk appetite statement for the Edinburgh IJB and support the IJB to explore and agree options for overseeing risk management for example, through a separate IJB Risk and Audit Committee or through the IJB itself.

Main Report

4. A formal risk management framework is a powerful tool to help drive operational performance and forms a key part of the overall control environment, which safeguards an organisation.
5. Some of the key benefits of successful risk management include:
 - minimising significant shocks and unwelcome surprises
 - supporting the delivery of strategy and ensuring organisational ability to deal with events that may hinder achievement of corporate objectives
 - supporting effective use of resources by helping senior management focus resources on critical areas
 - providing assurance for key stakeholders; and
 - ensuring compliance with corporate governance requirements and other statutory regulations.

6. The Edinburgh Integration Scheme specifies that a shared risk management strategy will be established in the first year of the IJB. This will include risk management arrangements for all services within scope of the IJB, delivered by NHS Lothian and the City of Edinburgh Council, as well as risk associated with the IJB carrying out its integration functions.
7. The risk management strategy must be in place by 31 March 2016.
8. The risk management strategy developed by the IJB is expected to include:
 - a statement of the IJB's risk appetite and associated tolerance measures
 - a description of how the system of risk management will work in practice, including the procedures for identification, classification, recording and reporting of risk, and the respective roles of the IJB and its officers; this will explain how the output from the risk management systems within NHS Lothian and the City of Edinburgh Council will inform the IJB's system of risk management, as well as ensuring that any risks associated with proposals from the Strategic Plan and its delivery are captured, assessed and managed appropriately and shared with NHS Lothian and the Council
 - a description of how the IJB system of risk management is informed by related systems of NHS Lothian and the Council, such as complaints management, health and safety, management of adverse events, emergency planning and business resilience
 - an agreement between NHS Lothian and the Council on the resources to be made available to support risk management in the IJB and how this will work
 - a description of how risk will be managed by the IJB, including the framework for reporting and frequency.
9. Implementation of the risk management arrangements will result in establishment of an IJB risk register, which will be updated and amended as themes or risks that have a bearing on its activities emerge. The risk register will be focused on:
 - specific unmanaged risks that the operational management teams cannot themselves address by their actions
 - risks associated with carrying out the integration functions
 - decisions that the IJB needs to take to mitigate the unmanaged risks
10. Risk leads from NHS Lothian and the Council will support the IJB by developing an integrated risk management strategy, which will inform and be informed by the risk management arrangements within NHS Lothian and the Council. A draft proposal, set out in Appendix 1, has been

developed and will be tested over the coming months with the IJB senior management team and integrated teams.

Key Risks

11. That the IJB risk management strategy and framework does not meet the needs and requirements of the IJB and parent bodies.

Financial implications

12. There are no direct financial impacts arising from the recommendations contained in this report.

Impact on inequalities, including health inequalities

13. There are no impacts upon inequalities, including health inequalities arising from the recommendations in this report.

Involving People

14. Key officers from across NHS Lothian and the City of Edinburgh Council have been involved in discussions around the development of an integrated risk management strategy and framework and this engagement will continue and be extended further over the coming months.

Impact on Plans of other Parties

15. There are no impacts on plans of other parties as a result of the development of an integrated risk management strategy for the IJB. NHS Lothian and the City of Edinburgh Council are aware of the need for the IJB to have an integrated risk management strategy and will continue to be engaged as this develops to ensure cohesion.

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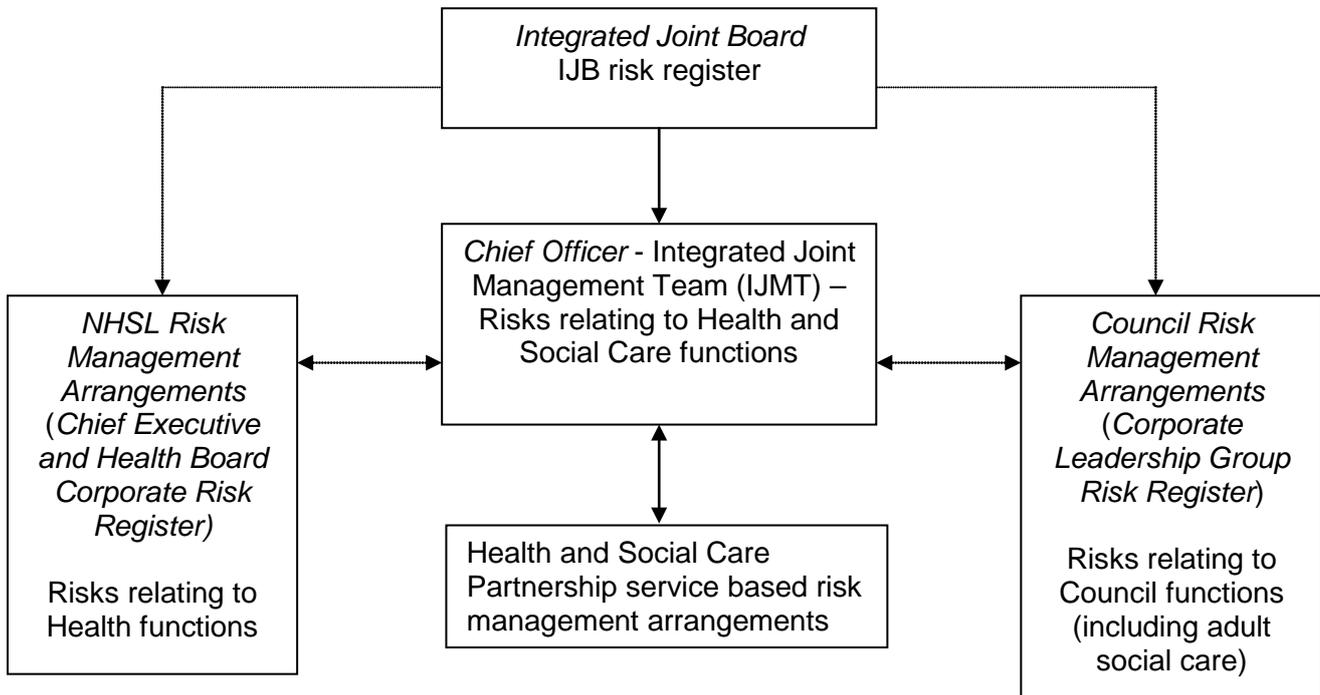
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Appendix 1 Proposed Risk Management Arrangements – Integrated Joint Boards (IJBs)



1. The IJB will have a corporate risk register which will reflect risks related to the IJBs delegated integration functions based on its strategic plan. This may include risk related to the functions of the IJB itself such as relationships and finance and will hold specific unmanaged risk which the IJMT cannot manage i.e. they require a decision from the IJB on matters of strategy/ policy. The risk register will be a standing item on the IJB agenda.
2. The IJB risk register will not duplicate the detail of risk registers within NHS Lothian and the Council. However, the IJB will update its risk register should there be any emerging themes/risks which have a bearing on its activities.
3. The IJB risk register which will be presented by the Chief Officer and will be maintained through the agreed risk register system (Covalent or DATIX system).
4. Risks for services delivered by NHS Lothian and Local Authority in scope of the IJB will be considered by the IJMT and be reviewed as a standing item at team meetings. Risk will continue to be managed at the lowest level possible (e.g. team/ward/ department) and escalated when necessary, hence the integrated joint senior management team will be looking at unmanaged risk that is appropriate to their level.
5. The current risk management policy/procedure for NHS Lothian and Local Authorities will remain in place with respect to services directly delivered by these two parties.
6. The IJB will require to determine its own risk management arrangements, and these are opening suggestions. The parties may alter their risk management systems in light of IJB directions.

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