NHS North Central London Clinical Commissioning Group

Risk Management Strategy

VERSION 1.1

North Central London Clinical Commissioning Group
Risk Management Strategy Control Sheet

No	Title	Description
1.	Summary	This document sets out the CCG's risk management strategy.
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3.	Accountable Director	Ian Porter, Executive Director of Corporate Services.
4.	Applies to	All staff.
5.	Groups/individuals who have overseen development of this policy	Corporate Services.
6.	Groups which were consulted and have given approval	This strategy has been adapted from the Risk Management Strategy of the previous NCL CCGs.
7.	Equality Impact Analysis	Policy reviewed for compliance throughout its development.
8.	Ratifying committee and date of final approval	The strategy was approved by the Governing Body on 24th September 2020.
9.	Version	Version 1.1
10.	Locations available	The CCG's website and staff intranet.
11.	Related documents	Risk Management Strategy.
12.	Disseminated to	All staff.
13.	Date of implementation	4th October 2021.
14.	Date of next review	30th September 2024.

Document Control

Date	Version	Action	Amendment
24th September 2020.	1	Strategy approved by the Governing Body.	New strategy approved.
4th October 2021	1.1	Amendment to this strategy document.	This document was amended to include the CCG's strategic priorities as set by the Governing Body as these had not

			been agreed when the Governing Body approved the strategy on 24th September 2020. The risk appetite has also been amended following the Governing Body review of its risk appetite on 9th September 2021. The Audit Committee reviewed and noted the Strategy at its meeting on 30th September 2021. A document control sheet was also added.

North Central London Clinical Commissioning Group
Risk Management Strategy

1. Introduction

This document is the Risk Management Strategy of North Central London Clinical Commissioning Group ('CCG'). It sets out the high level strategic approach to risk management which all risk management policies, procedures and systems within the CCG must adhere to unless otherwise stated.

2. Strategic Objectives

All risk management policies, procures and systems within the CCG will support the organisation in delivering its strategic objectives/priorities. These are:

Covid 19
  A. Support the ongoing response to Covid-19 pandemic and vaccination programme;
  B. Support system recovery and strengthen both Urgent Care & Integrated Urgent Care;

Corporate Support
  C. Provide robust support to, and development of, our workforce - including through change;
  D. Tackle discrimination and embrace equality and diversity through our workforce;
  E. Maintain strong financial vigilance;

Strategic Commissioning
  F. Undertake key strategic commissioning reviews (Community Services, Mental Health and Children, Young People & Maternity Services);
  G. Embed and deliver the commissioning pipeline;
  H. Tackle health inequalities and strengthen the system approach to population / place-based health and care management;
  I. Embed robust approach to complex individualised commissioning and deliver the continuing healthcare recovery programme;

Future Transition
  J. Prepare for the formal transition to an Integrated Care System and further development of Integrated Care Partnerships.

3. Equality

All risk management policies, procedures and systems within the CCG must adhere to and be compliant with the Equality Act 2010 and support the Public Sector Equality Duty contained therein.

This strategy has been formulated and written in accordance with the provisions of the Equality Act 2010 and supports the Public Sector Equality Duty.

4. Fraud and Bribery

The CCG's risk management policies, procedures and systems will support the organisation in reducing fraud, bribery and corruption and comply with the CCG's anti-fraud and bribery policy. The CCG will have adequate procedures which are proportionate to any identified risks

in accordance with the Bribery Act 2010 and the guidance on the Bribery Act 2010 published by the Ministry of Justice[1].

The Local Count Fraud Specialist will support the CCG in assessing fraud and bribery risks. The Local Counter Fraud Specialist will also periodically conduct fraud and bribery risk assessments in accordance with the requirements of standard 1.4 of the 'Standards for NHS Commissioners 2018 fraud, bribery and corruption'.[2]   Fraud and bribery risks will be included on the organisation's risk register where appropriate and the CCG's performance against the standards will be assessed annually via the completion of the NHS Counter Fraud Authority Self Review Tool.

5.   Definition of Risk

Risk is defined as an uncertain event or set of events which if they occur will threaten the achievement of one or more objectives.

6.   Type of Risks

This strategy applies to all risks which include but are not limited to:
- Business risks;
- Commissioning and Clinical Commissioning risks;
- Communications risks;
- Environmental risks
- Financial risks;
- Fraud risks;
- Governance risks;
- Information risks;
- IT risks;
- Operational risks;
- Quality and safety risks;
- Regulatory and compliance risks;
- Reputational risks;
- Strategic risks.

7.   Benefits of Risk Management

The following are the personal and organisational benefits to effective risk management and all risk management policies, procedures and systems will be designed to support these benefits.

Benefit	Advantage
Better for patients	It helps to ensure that we commission the best services we can within the resources available, that we use public money are resources effectively and have good patient outcomes.
Success	It helps you and the organisation to achieve objectives and succeed.
Better decision making	It helps you to make better decisions by helping you to understand the merits, threats and opportunities associated with different courses of action so you can make informed choices.

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[1] https://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf
[2] https://cfa.nhs.uk/resources/downloads/standards/NHS_Fraud_Standards_for_Commissioners_2018.pdf?v=1.0

Better planning and resource allocation	It helps you to plan and prioritise your time, work, resources and energy better. It also helps to reduce volatility, provides more stability, predictability and confidence. This helps you to identify and resolve problems before they become issues.
Supports innovation and new ways of working	It allows you to consciously think about and manage new challenges that may not fit into existing ways of working or establishes processes and procedures.
Provides protection	It protects you and helps to reduce avoidable errors and fraud.
Empowerment	It empowers you in your role, helps you to do your job well and provides confidence in your plans.
Good governance	It supports good governance by decisions being made and seen to be made in an open and transparent way based on sound reasoning. The process is also auditable providing the Governing Body, our regulators and our auditors with confidence and assurance.

8. Risk Management Principles

Risk management with the CCG will be carried out in accordance with the following principles:

Principle	Description
Proactive	Risk management will be used proactively to manage key risks and used as an active management tool. This helps to ensure that risks are considered and future actions planned in a visible, consistent and controlled manner. Risk management will form part of plans with work on risk management being front loaded.
Aligns with objectives	Risk management will be focussed on the key uncertainties which may impact on the achievement of one or more objectives. Risks will be identified and given the appropriate priority for action.
Fits the context	The risk management approach will be designed to fit the internal and external environment in which the CCG operates and so that time, effort, resources and energy will be used in the appropriate way.
Engages stakeholders	Risk management will engage with the right stakeholders and deal with different perceptions of risk. Appropriate risks will be identified early and dealt with at the right level.
Provides clear guidance	Risk management will provide clear and coherent guidance to staff and key stakeholders so everyone can see how the CCG identifies, assesses and controls key risks. This enables people to compare results with plans and enable better decision making about how resources are deployed.
Informs decision making	Risk management will be linked to and inform decision making across the organisation. This enables important decisions to be made with explicit consideration of the impact of risks and the status of risk management. This also helps to safeguard the decision making process to allow for good decision making.
Facilitates continual improvement	Risk management will be used to help the CCG to improve by proactively managing risks and increasing organisational risk maturity. The organisation will use its experience of risk management to continually improve through 'lessons learned' and make best use of the resources available.

Creates a supportive culture	The CCG will create a culture that recognises uncertainty and supports considered risk taking. The organisation recognises that zero risk taking is neither possible nor desirable.
Achieves measurable value	Risk management will help to achieve measurable value through the effective identification and management of key risks. In general it costs less to anticipate and manage a risk than it does to recover from an issue.

9. Assurance

The CCG is a publically funded body that is regulated by NHS England. As such the organisation is under legal duties to ensure that it is well governed and managed and can clearly demonstrate this to NHS England and the CCG's auditors. This is done through the NHS England assurance process. A key part of this is demonstrating that the CCG has robust and effective risk managements system in place which everyone in the organisation is using and adhering to.

In this regard the CCG's risk management system will be transparent, consistent, replicable, robust, auditable and meet the reasonable requirements of the organisation's regulators and auditors taking into account costs and available resources.

10. Coverage

The CCG aims to have robust and effective risk management policies, procedures and systems that support total coverage of key risks at all levels. Risks should be assessed, understood and managed at the appropriate levels.

11. Board Assurance Framework

The CCG will have a Board Assurance Framework ('BAF') which will be presented to the Governing Body for oversight, scrutiny and review. The BAF is a risk register that contains the highest level risks to the organisation. Details of how the BAF operates will be set out in the risk management policy.

12. Governing Body Oversight

Within the CCG the Governing Body and its committees will provide oversight and scrutiny of the most serious organisational risks and hold people to account in this regard. The Lay Member for Governance and Audit and the Audit Committee will play a lead role in ensuring effective oversight and scrutiny of the CCG's risk management policies, procedures and systems.

The Governing Body will:
- Approve the Risk Management Strategy and subsequent revisions;
- Provide oversight, review and scrutiny of the organisation's highest level risks;
- Receive regular risk reports on risk;
- Hold risk owners to account for their risks;
- Review the Board Assurance Framework.

The Audit Committee will:
- Provide independent assurance to the Governing Body on the effectiveness of risk management process in the CCG and compliance with risk management policies;
- Receive independent reports on the effectiveness of risks management in the CCG;
- Challenge the way in which risk is managed where there is uncertainty or concerns over the effectiveness of risk management arrangements;

- Formally assess on an annual basis the overall effectiveness of the risk management processes in the CCG and report to the Governing Body;
- Review risk management arrangements for the purposes of the Annual Report and the Annual Governance Statement;
- Horizon scan and communicate findings for action;
- Hold risk owners to account for their risks.

Governing Body Committees will:
- Provide scrutiny, review and oversight of key risks;
- Receive risk reports;
- Horizon scan and communicate findings for action;
- Hold risk owners to account for their risks.

13. Executive Management Team

The Executive Management Team will:
- Approve the risk management policies and procedures;
- Agree and approve resources for risk management across the CCG;
- Provide operational oversight and scrutiny of high level risks across the CCG;;
- Ensure staff are effectively managing risks and that the CCG has an effective system of risk management in place;
- Ensure staff are acting in accordance with risk management policies;
- Have oversight and responsibility for operational risk management issues faced by the organisation;
- Prepare a complete, accurate and reliable report on risk management for the purposes of the Annual Governance Statement to ensure it is fair and representative of the organisation's risk management arrangements;
- Provide feedback on the risk management processes and policies supporting this strategy to the NCL Governance and Risk Team;
- Ensure directors provide risk reports to the Governing Body and its committees as appropriate;
- Be held to account by the Accountable Officer and Chief Finance Officer for effective risk management.

14. Risk Management System

The Accountable Officer has overall executive responsibility for ensuring that effective risk management policies, procedures and systems are in place within the CCG and that they are implemented.

15. Risk Owners

Each risk will be owned by an appropriate director with each director having overall responsibility and accountability for all risks in their directorate. Directors are able to delegate the day to day oversight and management of risks to members of their team but not the accountability.

16. Directorate Risk Leads

The CCG will appoint or nominate staff to be Directorate Risk Leads. The role of the Directorate Risk Leads is to:
- Support directors in managing the risk management process within their directorates and assist with risk reporting;

- Support the Governance and Risk Team in delivering and embedding the CCG's approach to risk management;
- Provide a source of expertise and advice embedded within each directorate to help support and empower staff to manage risks;
- Help drive effective risks management within directorates;
- Help support staff to implement the CCG's risk management policies and procedures;
- Assist staff within their directorates to co-ordinate risk reporting;
- Maintain a central folder within each directorate containing the meeting notes/minutes from risk management meetings within the directorate.

17. Training

All staff will be provided with appropriate risk management training to enable them to manage risks in accordance with the CCG's risk management policies, procures and systems and effectively perform their role.

Directorate Risk Leads will be provided with more detailed training to allow them to be effective in their role.

18. Risk Appetite

The Risk Appetite is the amount of risk that the organisation is willing to accept. The Governing Body decides and sets the overall Risk Appetite for the CCG. The Risk Appetite will not exceed the CCG's Risk Capacity. The Risk Appetite is set out in the appropriate policies for the guidance of staff.

The Risk Appetite is set out in Schedule 1. Schedule 1 does not form part of this strategy and may be amended or updated without the need to formally approve this document.

19. Risk Capacity

The Risk Capacity is the maximum amount of risk that the organisation can bear. The Governing Body and the CCG's Executive Management Team will continue to consider the organisation's capacity to bear risks and ensure it stays aligned with the CCG's objectives and the operating environment to ensure risk is managed in a controlled way.

20. Risk Tolerance

The Risk Tolerance is the threshold level of risk exposure which when hit or exceeded triggers escalation of risks. Each risk policy will set out the Risk Tolerances appropriate to it.

21. Risk Management Strategy, Policies and Processes

The CCG's risk management strategy will be approved by the Governing Body. All operational risk management policies and processes that sit under the risk management policy will be approved by the Executive Management Team rather than by the Governing Body.

22. Monitoring and effectiveness

The audit committee will monitor the effectiveness of the CCG's risk management processes.

Schedule 2
Risk Appetite

This schedule sets out the CCG's risk appetite. The Governing Body sets the CCG's risk appetite and considered the risk appetite at the Governing Body seminar on 9th September 2021.

The chart below shows the appetite grading for risks based on their potential impact:

Appetite Description	Appetite Level
The CCG is not willing to accept these risks under any circumstances	1
The CCG is not willing to accept these risks (except in very exceptional circumstances)	2
The CCG is willing to accept some risk in this area	3
The CCG is willing to accept moderate risk in this area	4
The CCG is willing to accept high risk in this area	5

This schedule sets out the CCG's service areas for which the Governing Body will agree a risk appetite.

No.	Service Area	Governing Body Statement	Appetite Level
1.	Quality	We will ensure good quality service for all the people of the borough and will only rarely accept risks that threaten that goal.	2
2.	Safety	We hold patient and staff safety as the highest priority and will not accept any risk that threatens either.	1
3.	Compliance with legislation and statutory guidance	We will comply with all legislation relevant to the CCG and will not accept any risk that, if realised, would result in non-compliance.	1
4.	Compliance with non-statutory NHS England/Improvement guidance	The CCG will comply with all non-statutory guidance issued by NHS England/Improvement and will not accept any risk that, if realised, would result in non-compliance except in very exceptional circumstances.	3
5.	Procurement	We will procure services in line with English law and national guidance but will accept some procurement risk in the achievement of the CCG's objectives.	3

6.	Conflicts of Interest	We will preserve the integrity of our decision-making processes and our decisions and will comply with statutory guidance. Given the nature of the CCG and the challenges of delivering national and local plans such as the NHS Long Term Plan we are willing to accept exceptional risk in certain circumstances but these will be managed robustly.	2
7.	Reputation	We intend to maintain high standards of conduct and will accept risks that may cause reputational damage only in certain circumstances, and only when the benefits for patients and residents merit the risk.	3
8.	Innovation & Productivity	We aim to foster, and will encourage, a culture of innovation and efficiency; in so doing we are prepared to accept moderate risk. However, when doing so we will work within the risk appetite levels for each Service Area set out in this document and will not exceed them.	4
9.	Finance	We will strive to work within set financial limits and mitigate any risks that, if realised, would cause a breach to the CCG's agreed budget. The achievement of strategic objectives, value for money and cost effectiveness can justify calculated risk.	3
10.	Partnerships- Integrated Care System ('ICS')	We will accept a moderate level of risk in working with ICS partner organisations to achieve the aims and objectives of the NHS Long Term Plan and ensure the best outcomes for patients this includes during the transition to the new Integrated Care Board organisation.	4
11.	Partnerships- Integrated Care Partnerships/Providers ('ICP')	We will accept some risk in working with ICP partner organisations to achieve the aims and objectives of the NHS Long Term Plan and ensure the best outcomes for patients.	4
12.	Partnerships- Other partnerships including non ICS, non ICP, other NHS providers, the third sector and the private sector.	We will accept some risk in working with non ICS/ICP partner organisations, other NHS providers, the third sector and/or the private sector to achieve the aims and objectives of the NHS Long Term Plan and ensure the best outcomes for patients.	3

Precedence of Risk Appetite Scores

For the avoidance of doubt where two risk appetite scores conflict with each other the lowest risk appetite score takes precedence. For example, the CCG may be working on a new and innovative service and so work within the risk appetite level of 4 for Innovation and Productivity. However, whilst doing so the CCG will work within the risk appetite levels of 1 for Safety and 2 for Quality.