



North Central London Clinical Commissioning Groups

Risk Management Strategy

**North Central London Clinical Commissioning Groups
Corporate Risk Management Strategy
Control Sheet**

No	Title	Description
1.	Summary	The Risk Management Strategy sets out the CCG's high level strategic approach to risk management.
2.	Author	Andrew Spicer, Head of Governance and Risk- North Central London CCGs.
3.	Accountable Director	Ian Porter, Director of Corporate Services- North Central London CCGs.
4.	Applies to	All staff.
5.	Groups/individuals who have overseen the development of this strategy	Corporate Services.
6.	Groups which were consulted and have given approval	The Risk Management Strategy was developed following discussion and engagement with Chief Operating Officer, the NCL Governance and Risk Team and key staff.
7.	Equality Impact Analysis Completed	1 October 2018
8.	Ratifying committee and date of final approval	Barnet CCG Governing Body 01/11/18 Camden CCG Governing Body 14/11/18 Enfield CCG Governing Body 21/11/18 Haringey CCG Governing Body 15/11/18 Islington CCG Governing Body 14/11/18
9.	Version	Barnet CCG Version 2 Camden CCG Version 4 Enfield CCG Version 10 Haringey CCG Version 1.5 Islington CCG Version 2.2
10.	Locations available	NCL CCG external websites, intranets and on request from Corporate Services.
11.	Related documents	Risk Management Policy, Risk Management Process Guide.
12.	Disseminated to	All staff.
13.	Date of implementation	1 December 2018

14.	Date of next review	31 November 2021
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Document Control

Date	Version	Action	Amendment
21 November 2018	NCL1	Strategy approved by the NCL CCGs Governing Bodies	The Strategy forms part of the CCGs' revised approach to risk management which was formulated in 2018.

North Central London Clinical Commissioning Groups Risk Management Strategy

1. Introduction

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

The NCL CCGs are:

- NHS Barnet Clinical Commissioning Group ('Barnet CCG');
- NHS Camden Clinical Commissioning Group ('Camden CCG');
- NHS Enfield Clinical Commissioning Group ('Enfield CCG');
- NHS Haringey Clinical Commissioning Group ('Haringey CCG');
- NHS Islington Clinical Commissioning Group ('Islington CCG').

2. Strategic Objectives

All risk management policies, procures and systems within the NCL CCGs will support each organisation in delivering its strategic objectives/strategic priority areas which are:

Barnet CCG:

1. Improve health and wellbeing and reduce inequalities
2. Provide value and live within our means
3. Enhance quality
4. Be excellent
5. Be clinically well-led

Camden CCG:

- A. Commission the delivery of NHS constitutional rights and pledges;
- B. Improve the quality and safety of commissioned services;
- C. Improve health outcomes, address inequalities and achieve parity of esteem;
- D. Integrate and enable local services to deliver the right care in the right setting at the right time;
- E. Work jointly with the people and patients of Camden to shape the services we commission;
- F. Involve member practices and commissioning partners in key commissioning decisions;
- G. Maintain financial stability and ensure sustainability through robust planning and commissioning of value-for- money services;
- H. Build a high performing organisation that attracts, develops and retains a skilled and motivated workforce.

Enfield CCG:

1. Deliver financial sustainability
2. Improve the quality of local health services
3. Value and look after staff
4. Work across health and social care to deliver seamless care for our patients

5. Do things once, either locally or across north central London
6. Engage patients, carers and stakeholders in our decision making

Haringey CCG:

1. To commission high quality, valued and responsive services, working in partnership with the public to make the best use of available resources;
2. To promote wellbeing, reduce health inequalities and improve health outcomes for local people;
3. To improve the health and quality of life for people by commissioning integrated health and social care delivered closer to home.

Islington CCG:

1. Ensuring every child has the best start in life;
2. Preventing and managing long term conditions to extend both length and quality of life and reduce health inequalities;
3. Improving mental health and wellbeing;
4. Delivering high quality, efficient services within the resources available.

3. Equality

All risk management policies, procedures and systems within the NCL CCGs 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 NCL CCGs' risk management policies, procedures and systems will support the organisations in reducing fraud, bribery and corruption and comply with each CCG's anti-fraud and bribery policy. The NCL CCGs 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 Justice¹.

The Local Count Fraud Specialist will support the NCL CCGs 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 each organisation's risk register(s) where appropriate and each CCGs performance against the standards will be assessed annually via the completion of the NHS Counter Fraud Authority Self Review Tool.

5. Definition of Risk

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

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.
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 NCL CCGs 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.
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9. Assurance

Each CCG is a publically funded body that is regulated by NHS England. As such each 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 each CCG has robust and effective risk managements system in place which everyone in the organisation is using and adhering to.

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

10. Coverage

The NCL CCGs aim 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

Each CCG will have a Board Assurance Framework ('BAF') which will be presented to the respective 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 appropriate risk management policies.

12. Governing Body Oversight

Within each of the NCL CCGs 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. NCL Senior Management Team

The NCL Senior Management Team will:

- Approve the risk management policies and procedures for each Clinical Commissioning Group in North Central London ('NCL');
- Agree and approve resources for risk management across the NCL CCGs;
- Provide operational oversight and scrutiny of high level risks across the five Clinical Commissioning Groups in NCL particularly where risks are interconnected between organisations;
- Provide operational oversight and scrutiny of the high level pan NCL risks;
- Ensure staff are effectively managing risks and that each CCG has an effective system of risk management in place;
- Ensure staff are acting in accordance with risk management policies;
- Be held to account by the Accountable Officer and Chief Finance Officer for effective risk management.

14. CCG's Executive Team

The CCG's Executive Team will:

- Provide oversight and scrutiny of high level risks within the CCG;
- Ensure staff are effectively managing risks at all levels of the organisation and in all directorates;
- Ensure staff are acting in accordance with risk management policies;
- Have oversight and responsibility for operational risk management issues faced by the organisation;
- Agree and approve resources for risk management within the CCG;
- 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 annual assurance on the effectiveness of risk management arrangements through the completion of an annual assurance statement regarding their risk management responsibilities;
- Provide feedback on the risk management processes and policies supporting this strategy to the NCL Governance and Risk Team;
- Be held to account by the Chief Operating Officer for effective risk management;
- Ensure directors provide risk reports to the Governing Body and its committees as appropriate.

15. 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 NCL CCGs and that they are implemented.

16. 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.

17. 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 NCL Governance and Risk Team and NCL Governance and Risk Leads 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.

18. 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, procedures 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.

19. Risk Appetite

The Risk Appetite is the amount of risk that each organisation is willing to accept. The Governing Body decides and sets the overall Risk Appetite for their respective 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.

20. Risk Capacity

The Risk Capacity is the maximum amount of risk that the organisation can bear. The Governing Body and the CCG's Executive 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.

21. 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.

22. Risk Management Strategy, Policies and Processes

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

23. Monitoring and effectiveness

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

Schedule 1 Risk Appetite

This schedule sets out the CCG's risk appetite as agreed by the Governing Body.

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

Appetite Description	Appetite Level
In the achievement of our strategic objectives the CCG is not willing to accept risks in this area under any circumstances	1
In the achievement of our strategic objectives the CCG is not willing to accept any risk in this area except in exceptional circumstances	2
In the achievement of our strategic objectives the CCG is willing to accept a low level of risk in this area	3
In the achievement of our strategic objectives the CCG is willing to accept a moderate level of risk in this area	4
In the achievement of our strategic objectives the CCG is willing to accept a high level of risk in this area	5

The chart below shows the CCG's risk appetite in each area:

No.	Service Area	Includes	Governing Body Statement	Appetite Level
1.	Quality	<ul style="list-style-type: none"> • Delivery of quality services • Patient experience • QIPP • NICE guidance • Implementing national clinical guidance • Mandatory training • Access to Primary Care • Reducing Health Inequalities 	We will ensure equitable, high quality services for all the people the CCG has responsibility for and will only rarely accept risks which threaten that goal.	
2.	Safety	<ul style="list-style-type: none"> • Serious Incidents • Incidents • Safeguarding • Patient safety • Health and Safety • Work force safety • DBS Checks 	We hold patient and staff safety as the highest priority and will not accept any risk that threatens either.	
3.	Compliance with legislation	<ul style="list-style-type: none"> • Financial, Regulatory and Legislative Compliance • Information Governance • Data Protection Act • Health and Safety • Freedom of Information 	We will comply with all legislation relevant to the CCG and will not accept any risk which, if realised, would result in non-compliance except in very exceptional circumstances. (Excludes compliance with national targets)	

4.	Conflicts of Interest	<ul style="list-style-type: none"> • Involvement of member practices in decision making process • Expert clinical engagement and input into decision making and decisions 	We will preserve the integrity of our decision making processes and our decisions and will comply with statutory guidance. Given the nature of CCGs and the challenges of delivering national and local plans such as the Five Year Forward view we are willing to accept some risks in certain circumstances but these will be managed robustly.	
5.	Reputation	<ul style="list-style-type: none"> • Relationship with stakeholders • Knowledge • Political environment 	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 merit the risk.	
6.	Innovation & Productivity	<ul style="list-style-type: none"> • Positive risk appetite • Doing things differently • Application of knowledge 	We aim to foster, and will encourage, a culture of innovation and efficiency; in so doing we are prepared to accept the risks associated with this. 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.	
7.	Finance	<ul style="list-style-type: none"> • Invest to save • Achieving the financial plan • Value for money • Efficiency and effectiveness of spend 	We will stay within set financial limits and will not accept any risks which, if realised, would cause a breach but the achievement of strategic objectives, value for money and cost effectiveness can justify calculated risk.	
8.	Partnerships	<ul style="list-style-type: none"> • New partnership creation • Challenging existing partnerships • Partnership prioritisation 	We will work with other organisations to ensure the best outcome for patients and are willing to accept the risks associated with a collaborative approach.	

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.