
To: Renfrewshire Integration Joint Board Audit, Risk and Scrutiny Committee

On: 11 September 2020

Report by: Chief Officer

Heading: Review of Renfrewshire IJB's existing risk management framework

1. Summary

- 1.1. The report provides detail on the IJB's risk management framework, which was most recently approved in November 2017. It sets out the significant changes in the IJB's operating context over the last six months as a result of COVID-19 and the commencement of recovery and renewal programme activity, factors which act as drivers for a review of this framework.
- 1.2. The report also sets out the HSCP's proposal for a review process to be undertaken, with the objective of agreeing a revised risk management framework for implementation from 1 April 2021. The HSCP will work with IJB members throughout this process to ensure that a robust and flexible framework is in place to manage risks arising from the current and future complex and challenging environment.

2. Recommendation

It is recommended that the IJB Audit, Risk and Scrutiny Committee

- Note the status of the existing risk management framework and external context; and
- Approve the proposal for a review of the risk management framework.

3. The IJB's existing risk management framework

- 3.1. The IJB approved its risk management framework in September 2015. This framework set out the principles by which the HSCP and IJB would identify and manage strategic and operational risks impacting

upon the organisation. This framework forms a key strand of the IJB's overall governance mechanisms. In particular, the framework sets out the approach to:

- Identifying, assessing and managing emerging risks;
- Defining risks as strategic or operational (including several sub-categories of risk included within these definitions);
- Accountabilities for risk management, covering governance, roles and responsibilities including those of the IJB, the Chief Officer and Chief Financial Officer, the HSCP's Senior Management Team, and individual risk owners where these differ from those listed;
- The approach to be adopted for resourcing the implementation of risk control measures;
- The provision of training, learning and development associated with risk management policies and procedures; and
- Risk monitoring and performance reporting to the IJB

3.2. An updated version of the risk management framework (version 2) was approved by the IJB Audit Committee in November 2017. This revised framework set out an updated approach to reporting risks, whereby the existing risk register at that time would be split into (i) a separate IJB risk register tracking strategic risks specifically relating to the Board in respect of financial sustainability and accountability for the Strategic Plan; and (ii) an HSCP risk register tracking operational risks arising from the activities of an individual service areas of team operating with the scope of the the IJB's activities. Where necessary, operational risks are escalated to the IJB risk register where these apply across multiple service areas and require more strategic leadership.

3.3. The HSCP has continued to bring regular updates to the IJB Audit Committee (now the Audit, Risk and Scrutiny Committee) on strategic and operational risks.

4. Drivers for review of the risk management framework: COVID-19 and increasing system complexity

4.1. The IJB has operated the existing risk management framework since November 2017. However, the impact of the COVID pandemic over the last six months and the changes this has necessitated, including the need for rapid service changes to be put in place, has accelerated the need to review existing risk management measures.

4.2. During the COVID-19 response, the HSCP implemented additional risk management measures to quickly identify and manage emerging

risks related to the pandemic and local responses. These risks were reviewed and updated frequently and reported to the HSCP's Local Response Management Team. Additional governance structures were also created by our partner organisations.

- 4.3. These governance structures continue through the HSCP's Recovery and Renewal Steering Group, NHS Greater Glasgow and Clyde's Strategic Executive Group and supporting tactical and planning groups and Renfrewshire Council's CMT Recovery Planning Group. In addition to our existing governance through the IJB, these linkages add greater complexity within the health and social care system and are expected to be part of business as usual activity for the foreseeable future.
- 4.4. As recovery and renewal activity progresses, the interim measures adopted by the HSCP will continue but will need to be adapted to align further with existing risk management arrangements. The degree of service transformation work planned as part of the recovery and renewal programme alongside the ongoing COVID response, which necessitates ongoing operational flexibility, will need to be embedded in risk management activity.
- 4.5. It is also important the HSCP and IJB assess and build upon the lessons learned through the COVID response. In particular, the HSCP's ability to operate flexibly and respond at pace and the IJB's ability to tolerate and manage increasing levels of risk as has been necessary are influencing factors which should now be considered within risk management procedures.
- 4.6. Consequently, the HSCP believes that a review and update of the risk management framework is now necessary to reflect the impact of COVID-19 and to ensure that the IJB's approach to risk management suitably addresses the complexity of the current and future environment.

5. **Review proposal**

- 5.1. This paper proposes a review of the existing risk management framework, with the objective of bringing an updated framework to the Audit, Risk and Scrutiny Committee for approval in March 2021. This would enable implementation of the new framework from April 2021.
- 5.2. It is proposed that the review considers:
 - The significantly changed external context and necessary changes required to ensure that risks associated with COVID-19, transformational activity and external system complexity

are effectively identified and managed, bringing all current and interim risk management activity into a single flexible framework;

- The existing risk escalation procedures and roles, responsibilities and accountabilities to ensure that risks are effectively managed at service level, the Senior Management Team and IJB as appropriate;
- Lessons learned on risk management through the COVID response and review of other organisational approaches to risk management;
- The necessary tools and resources required to most effectively manage increasing levels of risk complexity; and
- In light of the above and the observed impact of COVID-19, the consideration of an update to the IJB's existing risk appetite statement. A future development session will be identified for a facilitated session with IJB members to take forward these considerations.

5.2. Further updates on progress will be brought to both the Audit, Risk and Scrutiny Committee and the IJB.

Implications of the Report

1. **Financial** – There are no financial implications arising from the submission of this paper.
2. **HR & Organisational Development** – There are no HR and Organisational Development implications arising from the submission of this paper.
3. **Community Planning** – There are no Community Planning implications arising from the submission of this paper.
4. **Legal** – Supports the implementation of the provisions of the Public Bodies (Joint Working) (Scotland) Act 2014.
5. **Property/Assets** – There are no Property/Assets implications arising from the submission of this paper.
6. **Information Technology** – There are no ICT implications arising from the submission of this paper.
7. **Equality and Human Rights** – There are no Equality and Human Rights implications arising from the submission of this paper.
8. **Health & Safety** – There are no Health & Safety implications arising from the submission of this paper.
9. **Procurement** – There are no Procurement implications arising from the submission of this paper.
10. **Risk** – This paper sets out recommendations for the review of the IJB's existing risk management framework. The implications of these recommendations are set out in further detail in the paper however they will support the IJB in continuing to ensure that a robust, flexible and suitable risk management framework is in place as part of overall governance arrangements.
11. **Privacy Impact** – None

List of Background Papers – Risk Management Policy & Strategy (IJB Audit Committee, 24 November 2017)

Author: Jean Still, Head of Administration

David Fogg, Change and Improvement Manager

Any enquiries regarding this paper should be directed to Jean Still, Head of Administration (jean.still@ggc.scot.nhs.uk / 0141 618 7659)