

**APPENDIX 1**

**Aberdeen City Health and Social Care Partnership**

**Strategic Risk Register 2016/17**

**May 2016**

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**The following were the risks highlighted at the most recent IJB workshop on the Strategic Risks. Those that are underlined were new risks identified from the initial drafted set and had been agreed in that meeting for inclusion in the final draft Strategic Risk Register for presentation to the Audit and Performance Systems Committee prior to final approval by the IJB.**

1. There is a risk of significant market failure in Aberdeen City
2. There is a risk of financial failure , that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and project an overspend
3. Failure of the IJB to function, make decisions in a timely manner etc
4. There is a risk that the outcomes expected from hosted services are not delivered and that the IJB does not identify non-performance in through its systems. This risk relates to services that Aberdeen IJB hosts on behalf of Moray and Aberdeenshire, and those hosted by those IJBs and delivered on behalf of Aberdeen City.
5. There is a risk that the governance arrangements between the IJB and its partner organisations (ACC and NHSG) are not robust enough to provide necessary assurance within the current assessment framework – leading to duplication of effort and poor relationships
6. There is a risk that services provided by ACC and NHS corporate services on behalf of the IJB do not have the capacity, are not able to work at the pace of the IJB’s ambitions, or do not perform their function as required by the IJB to enable it to fulfil its functions
7. There is a risk that the IJB and the services that it directs and has operational oversight of fail to meet performance standards or outcomes as set by regulatory bodies
8. There is a risk of reputational damage to the IJB and its partner organisations resulting from complexity of function, delegation and delivery of services across health and social care.
9. **Failure to deliver transformation at a pace or scale required by the demographic and financial pressures in the system**
10. **There is a risk that the IJB does not maximise the opportunities offered by locality working**

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<b>Strategic Priority</b> Outcomes, safety and transformation		<b>Lead Director</b> CO until Director of Strategic Commissioning appointed
<b>Description of Risk</b> There is a risk of significant market failure in Aberdeen City		
<b>Risk Rating</b>  High	<b>Movement</b>  	<b>Rationale for Risk Rating</b> <ul style="list-style-type: none"> <li>• Previous experience of provider failure in City and wider across Scotland</li> <li>• Discussion with current providers and understanding of market conditions across the UK</li> <li>• Impact of Living Wage on profitability depending on some provider models</li> </ul> <b>Rationale for Risk Appetite</b> <ul style="list-style-type: none"> <li>• 3<sup>rd</sup> and independent sectors key strategic partners in delivering transformation and improved care experience and we have a low tolerance of risk of market failure</li> </ul>
<b>Controls</b> Robust market and relationship management with the 3 <sup>rd</sup> and independent sector and their representative groups, creation of a Director of Strategic Commissioning role as part of the wider strategic transformation programme, market facilitation programme and robust review of all		<b>Mitigating Actions</b> <ul style="list-style-type: none"> <li>• Creation of capacity and capability to manage and facilitate the market</li> <li>• Development of provider forum to support relationship and market management</li> </ul>

contracts and our commissioning model.		<ul style="list-style-type: none"> <li>• Risk fund set aside with transformation funding</li> <li>• Additional SG funding toward the Living Wage and Fair Working Practices</li> </ul>
<b>Assurances</b> Market management and facilitation Audit and Performance Systems Committee overview	<b>Gaps in assurance</b> Market or provider failure can happen quickly despite good assurances being in place	
<b>Current performance</b> No current issues to report	<b>Comments</b> Market remains subject to change	
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<b>Strategic Priority</b> Outcomes and transformation	<b>Lead Director</b> Director of Finance and Business (CFO)	
<b>Description of Risk</b> There is a risk of IJB financial failure with demand outstripping available budget. There is a risk that the IJB cannot deliver on priorities and statutory work, and that it projects an overspend.		
<b>Risk Rating</b>  Medium	<b>Movement</b>  	<b>Rationale for Risk Rating</b> <ul style="list-style-type: none"> <li>• Analysis of demographic change and growth in demand year on year</li> <li>• Analysis of current budget pressures known and expected in the Public Sector in Scotland and the UK</li> <li>• Understanding of financial pressures on both partner organisations (ACC and NHS Grampian)</li> </ul> <b>Rationale for Risk Appetite</b>

		<p>The IJB has a low risk appetite to financial failure and understands its requirement to achieve a balanced budget. However the IJB also recognises the significant range of statutory services it is required to meet within that finite budget and has a lower appetite for risk of harm to people.</p>
<p><b>Controls</b> Chief Finance Officer has been appointed and this role is important in ensuring sound financial information and supporting sound financial decision making, Budget reporting and escalation. There is an Integration Scheme in place with provision for the management of finances in partners with ACC and NHS Grampian and a Strategic plan and Transformational Commissioning plan agreed by the IJB in April 2016. Transformational plans include investment to save over a three year period.</p>		<p><b>Mitigating Actions</b> NHS and ACC will ‘underwrite’ the IJB’s budget in year 1 of its formal operation – however this needs to be seen in the context of the pressures on those partners’ budgets. Whilst the IJB has agreed a forward Transformational plan, there is a risk that we are unable to deliver transformation and efficiencies at the pace required.</p>
<p><b>Assurances</b></p> <ul style="list-style-type: none"> <li>• Audit and Performance Systems Committee oversight and scrutiny of budget under the CFO</li> <li>• Board Assurance Framework.</li> </ul>		<p><b>Gaps in assurance</b></p> <ul style="list-style-type: none"> <li>• None known</li> </ul>
<p><b>Current performance</b> Balanced budget but elements underpinning this need addressed – e.g. staffing underspend through failure to recruit cannot be sustainable position</p>		<p><b>Comments</b></p> <ul style="list-style-type: none"> <li>• Regular and ongoing budget reporting and tight management control in place</li> </ul>
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<p><b>Strategic Priority</b> Outcomes, safety and transformation</p>	<p><b>Lead Director</b> Chief Officer</p>	

<b>Description of Risk</b> There is a risk that the IJB fails to function properly within its Integration Scheme, Strategic Plan and Schemes of delegation in particular reference to being able to make appropriate decisions in a timely manner and meet its required functions.		
<b>Risk Rating</b>  Medium	<b>Movement</b>  	<b>Rationale for Risk Rating</b> Failure of the IJB to function is a fundamental risk which would impact on all strategic priorities. Capacity of Executive Group while recruitment to full complement in structure, a potential risk  <b>Rationale for Risk Appetite</b> Zero appetite.
<b>Controls</b> <ul style="list-style-type: none"> <li>• Experience of operating in shadow form</li> <li>• Agreed etiquette of the board and risk appetite statement allowing for balance of timely decision taking with effective challenge and scrutiny</li> <li>• Performance reporting mechanisms</li> </ul>		<b>Mitigating Actions</b> <ul style="list-style-type: none"> <li>• Recruiting to further senior posts in the structure</li> <li>• Operation of Executive team focussing on priorities</li> </ul>
<b>Assurances</b> <ul style="list-style-type: none"> <li>• Board Assurance Framework</li> <li>• Audit &amp; Performance Systems Committee</li> </ul>		<b>Gaps in assurance</b> <ul style="list-style-type: none"> <li>• None known</li> </ul>
<b>Current performance</b> <ul style="list-style-type: none"> <li>• Meeting requirements</li> </ul>		<b>Comments</b>

<ul style="list-style-type: none"> <li>Increasing workload experienced following 'go live' and in relation to need to support IJB's committees – being mitigated by further recruitment to senior posts</li> </ul>		
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<b>Strategic Priority</b> Outcomes and transformation		<b>Lead Director</b> Chief Officer
<b>Description of Risk</b> There is a risk that the outcomes expected to be delivered by hosted services are not realised and that the IJB fails to identify non-performance through its own systems. This risk relates to services that Aberdeen IJB hosts on behalf of Moray and Aberdeenshire, and those hosted by those IJBs and delivered on behalf of Aberdeen City.		
<b>Risk Rating</b>  Medium	<b>Movement</b>  	<b>Rationale for Risk Rating</b> <ul style="list-style-type: none"> <li>Considered medium risk due to the reporting arrangements being relatively new and needing testing in the first full year of operation</li> </ul> <b>Rationale for Risk Appetite</b> <ul style="list-style-type: none"> <li>The IJB has some tolerance of risk in relation to testing change</li> </ul>
<b>Controls</b> <ul style="list-style-type: none"> <li>Integration scheme agreement on cross-reporting</li> <li>NE Strategic Partnership Group</li> <li>Operational risk register</li> </ul>		<b>Mitigating Actions</b> <ul style="list-style-type: none"> <li>This is discussed regularly by the three North East Chief Officers</li> <li>Regular discussion regarding budget with relevant finance colleagues</li> </ul>
<b>Assurances</b> Audit & Performance Systems Committee		<b>Gaps in assurance</b> None currently known

<b>Current performance</b> No issues to report		<b>Comments</b>
- 5 -		
<b>Strategic Priority</b> Outcomes, safety and transformation		<b>Lead Director</b> Chief Officer
<b>Description of Risk</b> There is a risk that the governance arrangements between the IJB and its partner organisations (ACC and NHSG) are not robust enough to provide necessary assurance within current assurance framework – leading to duplication of effort and poor relationships		
<b>Risk Rating</b>  Medium	<b>Movement</b>  	<b>Rationale for Risk Rating</b>  Considered medium as arrangements are complex and mitigations untested in the 'go live' environments  <b>Rationale for Risk Appetite</b>  The IJB has zero appetite for failure to meet its statutory requirements.
<b>Controls</b> <ul style="list-style-type: none"> <li>• Scheme of delegation</li> <li>• Integration Scheme</li> <li>• Current governance committees within IJB and NHS</li> <li>• North East Strategic Partnership Group</li> </ul>		<b>Mitigating Actions</b> <ul style="list-style-type: none"> <li>• Consultation and engagement between bodies</li> <li>• Consideration being given by Chief Officers regarding development of Service Level Agreements or other mechanism</li> </ul>

<b>Assurances</b>		<b>Gaps in assurance</b>	
<ul style="list-style-type: none"> <li>• Agreement on regular reporting on hosting at each IJB</li> <li>• Regular Chief Officer meetings across Grampian area</li> <li>• Chief Officer a member of both NHS Grampian Senior Leadership Team and Aberdeen City Council's Corporate Management Team</li> </ul>		<ul style="list-style-type: none"> <li>• Potential gaps around standard interpretation of schemes</li> </ul>	
<b>Current performance</b>		<b>Comments</b>	
<ul style="list-style-type: none"> <li>• No current issues to report</li> </ul>			
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<b>Strategic Priority</b>		<b>Lead Director</b>	
Outcomes and service transformation		Chief Officer	
<b>Description of Risk</b>			
There is a risk that the services provided by ACC and NHS Corporate Services on behalf of the IJB do not have the capacity or are unable to work at the pace of the IJB's ambitions. There is a further risk that they are unable to perform their function as required by the IJB to enable it to fulfil its functions.			
<b>Risk Rating</b>	<b>Movement</b>	<b>Rationale for Risk Rating</b>	
High		<ul style="list-style-type: none"> <li>• Given the wide range and variety of services that support the IJB from NHS Grampian and ACC there is a possibility of under or non-performance</li> <li>• Depending on which area this is in (e.g. corporate finance, legal services) the consequences are considered significant</li> </ul>	

		<p><b>Rationale for Risk Appetite</b> There is a zero tolerance in relation to not meeting legal and statutory requirements.</p>
<p><b>Controls</b></p> <ul style="list-style-type: none"> <li>• IJB Strategic Plan</li> <li>• IJB Integration Scheme</li> <li>• Agreed risk appetite statement</li> <li>• Role and remit of the North East Strategic Partnership Group in relation to shared services</li> </ul>		<p><b>Mitigating Actions</b></p> <ul style="list-style-type: none"> <li>• Regular reporting at both Executive Management Team and Senior Operational Management team</li> <li>• Regular and ongoing Chief Officer membership of ACC Corporate Management Team and NHS Grampian Senior Leadership Team</li> <li>• Consideration in relation to Service Level Agreements being undertaken by the 3 North East Chief Officer.</li> </ul>
<p><b>Assurances</b></p> <ul style="list-style-type: none"> <li>• Executive Group reviews performance of corporate services' support regularly</li> <li>• Chief Finance officer role ensure liaison in relation to financial services</li> <li>• Chief Officer regularly discusses these service provisions with Corporate Directors</li> </ul>		<p><b>Gaps in assurance</b></p> <ul style="list-style-type: none"> <li>• None currently significant though note consideration relating to possible future Service Level Agreements</li> </ul>
<p><b>Current performance</b></p> <ul style="list-style-type: none"> <li>• No issues to highlight</li> </ul>		<p><b>Comments</b></p>
<p>- 7 -</p>		
<p><b>Strategic Priority</b> Outcomes, safety, transformation of services</p>	<p><b>Lead Director</b> Director of Finance and Business</p>	

<p><b>Description of Risk</b> There is a risk that the IJB and the services that it directs and has operational oversight of fail to meet performance standards or outcomes as set by regulatory bodies and that, as a result, harm or risk of harm to people occurs.</p>		
<p><b>Risk Rating</b>  Possible/Moderate = Medium</p>	<p><b>Movement</b>  </p>	<p><b>Rationale for Risk Rating</b>  Risk felt to be moderate, given controls with potential risks in need of mitigation due to go-live implications</p> <p><b>Rationale for Risk Appetite</b>  The IJB has zero tolerance of harm happening to people as a result of its actions or inaction.</p>
<p><b>Controls</b></p> <ul style="list-style-type: none"> <li>• Clinical and Care Governance Committee and Group Audit and Performance Systems Committee</li> <li>• Risk-assessed performance plans and actions</li> <li>• Development of KPIs reported</li> </ul>		<p><b>Mitigating Actions</b> System re-design and transformation</p>
<p><b>Assurances</b></p> <ul style="list-style-type: none"> <li>• Executive Group reviews processes and performance regularly</li> <li>• Joint meeting of IJB Chief Officer with two Partner Body Chief Executives</li> <li>• Audit &amp; Performance Systems Committee</li> <li>• Clinical and Care Governance Committee</li> </ul>		<p><b>Gaps in assurance</b></p> <ul style="list-style-type: none"> <li>• Formal performance systems not yet developed.</li> <li>• Audit &amp; Performance Systems Committee not yet met</li> <li>• Intelligent Board performance model</li> </ul>

<b>Current performance</b> Council and NHS performance systems remain in place with single reporting in development		<b>Comments</b>	
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<b>Strategic Priority</b> All		<b>Lead Director</b> Chief Officer	
<b>Description of Risk</b> There is a risk of reputational damage to the IJB and its partner organisations resulting from complexity of function, delegation and delivery of services across health and social care			
<b>Risk Rating</b>  High	<b>Movement</b>  	<b>Rationale for Risk Rating</b>  Newness of the organisation and agenda for system transformation pose risk of reputational damage  <b>Rationale for Risk Appetite</b> Willing to risk certain reputational damage if rationale for decision is sound.	
<b>Controls</b> <ul style="list-style-type: none"> <li>Executive Management Team</li> <li>IJB and its Committees</li> <li>Operational management processes and reporting</li> <li>Board escalation process</li> </ul>		<b>Mitigating Actions</b> <ul style="list-style-type: none"> <li>Clarity of roles</li> <li>Staff and customer engagement</li> <li>Effective performance and risk management</li> </ul>	

<p><b>Assurances</b></p> <ul style="list-style-type: none"> <li>• Role of the Chief Officer and Executive Team</li> <li>• Role of the Chief Finance Officer</li> <li>• Performance relationship with NHS and ACC Chief Executives</li> <li>• Communications plan / communications officer</li> </ul>	<p><b>Gaps in assurance</b></p> <p>None known at this time</p>	
<p><b>Current performance</b></p> <ul style="list-style-type: none"> <li>• Chief Finance Officer appointed on interim and permanent post being recruited to</li> <li>• Communications officer in place to lead reputation management</li> </ul>	<p><b>Comments</b></p>	
<p>- 9 -</p>		
<p><b>Strategic Priority</b></p> <p>All</p>	<p><b>Lead Director</b></p> <p>Chief Officer</p>	
<p><b>Description of Risk</b></p> <p>Failure to deliver transformation at a pace or scale required by the demographic and financial pressures in the system</p>		
<p><b>Risk Rating</b></p> <p>Medium</p>	<p><b>Movement</b></p> 	<p><b>Rationale for Risk Rating</b></p> <p>This is the overall risk – each of our transformation programme workstreams will also be risk assessed with some programmes being a higher risk than others</p> <p><b>Rationale for Risk Appetite</b></p> <p>The IJB has some appetite for risk relating to testing change and being innovative. The IJB has zero appetite for harm happening to people.</p>

<p><b>Controls</b></p> <ul style="list-style-type: none"> <li>• Strategic Transformation and Commissioning programme management and governance</li> <li>• Audit and Performance Systems Committee</li> <li>• Transformation programme board in place</li> <li>• Recruitment to key senior posts agreed</li> </ul>	<p><b>Mitigating Actions</b></p> <ul style="list-style-type: none"> <li>• Programme approach being taken in terms of the transformation programme</li> <li>• Recruitment taking place into senior and key project and programme management posts</li> <li>• Regular reporting to Executive Management Group</li> <li>• Regular reporting to Audit and Performance Systems Committee</li> </ul>
<p><b>Assurances</b></p> <ul style="list-style-type: none"> <li>• Executive Management and Committee Reporting</li> <li>• Programme Management approach</li> <li>• IJB oversight</li> <li>• Board escalation process</li> </ul>	<p><b>Gaps in assurance</b></p> <ul style="list-style-type: none"> <li>• Executive Management team developing financial model for transformation programme to track delivery of change and efficiencies – this is in developing and as such, a gap.</li> </ul>
<p><b>Current performance</b> No issues to report.</p>	<p><b>Comments</b></p>
<p>- 10 -</p>	
<p><b>Strategic Priority</b> All</p>	<p><b>Lead Director</b> Chief Officer</p>
<p><b>Description of Risk</b> There is a risk that the IJB does not maximise the opportunities offered by locality working</p>	

<p><b>Risk Rating</b></p> <p>Medium</p>	<p><b>Movement</b></p> 	<p><b>Rationale for Risk Rating</b></p> <p>Considered medium in relation to ability to work at the pace required until all senior and locality posts recruited to in the new structure</p> <p><b>Rationale for Risk Appetite</b></p> <p>The IJB has some appetite to risk in relation to testing innovation and change. There is zero risk of financial failure or working out with statutory requirements of a public body.</p>
<p><b>Controls</b></p> <ul style="list-style-type: none"> <li>• Transformation programme and programme board</li> <li>• Audit and Performance Systems Committee</li> </ul>	<p><b>Mitigating Actions</b></p> <ul style="list-style-type: none"> <li>• There is a localities development programme manager in place supporting this work</li> <li>• Agreed operational structure that reflects the importance of localities and roles which support transformational potential of working at this level</li> </ul>	
<p><b>Assurances</b></p> <ul style="list-style-type: none"> <li>• Regular Transformational Programme Board reports to Executive Management Team and to Audit and Performance Systems Committee</li> <li>• Programme Management approach</li> <li>• Agreement to recruit to Director of Strategic Commissioning role which will lead on the transformation at Executive level</li> </ul>	<p><b>Gaps in assurance</b></p> <ul style="list-style-type: none"> <li>• None currently known</li> </ul>	
<p><b>Current performance</b></p> <ul style="list-style-type: none"> <li>• Programme agreed at April's IJB and current milestones being met</li> </ul>	<p><b>Comments</b></p>	

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