



Aberdeen City Health & Social Care Partnership
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Strategic Risk Register 2016/17



Risk Summary:

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

Risk Rating	Low	Medium	High	Very High
Risk Movement	Decrease	No Change	Increase	



- 1 -	
Description of Risk: There is a risk of significant market failure in Aberdeen City	
Strategic Priority: Outcomes, safety and transformation	Lead Director: Acting Head of Strategy and Transformation
Risk Rating: low/medium/high/very high <div style="background-color: red; color: white; text-align: center; padding: 5px;">HIGH</div>	Rationale for Risk Rating: <ul style="list-style-type: none"> • Previous experience of provider failure in City and wider across Scotland • Discussion with current providers and understanding of market conditions across the UK • Impact of Living Wage on profitability depending on some provider models Rationale for Risk Appetite: <ul style="list-style-type: none"> • 3rd and independent sectors key strategic partners in delivering transformation and improved care experience and we have a low tolerance of risk of market failure.
Risk Movement: increase/decrease/no change <div style="background-color: yellow; text-align: center; padding: 5px;">NO CHANGE</div>	
Controls: Robust market and relationship management with the 3 rd 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	Mitigating Actions: <ul style="list-style-type: none"> • Creation of capacity and capability to manage and facilitate the market • Development of provider forum to support relationship and market management



robust review of all contracts and our commissioning model.	<ul style="list-style-type: none">• Risk fund set aside with transformation funding• Additional SG funding toward the Living Wage and Fair Working Practices
Assurances: Market management and facilitation Audit and Performance Systems Committee overview	Gaps in assurance: Market or provider failure can happen quickly despite good assurances being in place
Current performance: No current issues to report	Comments: Market remains subject to change



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Description of Risk: 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.

Strategic Priority: Outcomes and transformation

Lead Director: Chief Finance Officer

Risk Rating: low/medium/high/very high

MEDIUM

Rationale for Risk Rating:

- Analysis of demographic change and growth in demand year on year
- Analysis of current budget pressures known and expected in the Public Sector in Scotland and the UK
- Understanding of financial pressures on both partner organisations (ACC and NHS Grampian)

Risk Movement: increase/decrease/no change:

NO CHANGE

Rationale for Risk Appetite:

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>Controls:</p> <p>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>Mitigating Actions:</p> <p>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>Financial information is reported regularly to both the Audit & Performance Systems Committee, the Integration Joint Board and the Executive Team.</p>
<p>Assurances:</p> <ul style="list-style-type: none"> • Audit and Performance Systems Committee oversight and scrutiny of budget under the CFO • Board Assurance Framework. 	<p>Gaps in assurance:</p> <ul style="list-style-type: none"> • None known
<p>Current performance:</p> <p>Pressure on the prescribing budget of approximately £1.3 million causing some concern. This has been balanced by using funds from the transformation fund, whilst officers review the issue and develop a recovery plan.</p>	<p>Comments:</p> <ul style="list-style-type: none"> • Regular and ongoing budget reporting and tight management control in place
<p style="text-align: center;">- 3 -</p>	
<p>Description of Risk: There is a risk that the IJB fails to function properly within its Integration Scheme, Strategic Plan and Schemes of</p>	



delegation in particular reference to being able to make appropriate decisions in a timely manner and meet its required functions.	
Strategic Priority: Outcomes, safety and transformation	Lead Director: Chief Officer
Risk Rating: low/medium/high/very high <div style="background-color: yellow; text-align: center; padding: 5px;">MEDIUM</div>	Rationale for Risk Rating: 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 Rationale for Risk Appetite: Zero appetite.
Risk Movement: increase/decrease/no change <div style="background-color: orange; text-align: center; padding: 5px;">NO CHANGE</div>	
Controls: <ul style="list-style-type: none"> • Experience of operating in shadow form • Agreed etiquette of the board and risk appetite statement allowing for balance of timely decision taking with effective challenge and scrutiny • Performance reporting mechanisms 	Mitigating Actions: <ul style="list-style-type: none"> • Recruiting to further senior posts in the structure • Operation of Executive team focussing on priorities



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Assurances: <ul style="list-style-type: none">• Board Assurance Framework• Audit & Performance Systems Committee	Gaps in assurance: <ul style="list-style-type: none">• None known
Current performance: <ul style="list-style-type: none">• Meeting requirements• Increasing workload experienced following 'go live' and in relation to need to support IJB's committees – being mitigated by further recruitment to senior posts	Comments:
- 4 -	



Description of Risk: 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.	
Strategic Priority: Outcomes and transformation	Lead Director: Chief Officer
Risk Rating: low/medium/high/very high <div style="background-color: yellow; text-align: center; padding: 5px;">MEDIUM</div>	Rationale for Risk Rating: <ul style="list-style-type: none"> Considered medium risk due to the reporting arrangements being relatively new and needing testing in the first full year of operation Rationale for Risk Appetite: <ul style="list-style-type: none"> The IJB has some tolerance of risk in relation to testing change.
Risk Movement: (increase/decrease/no change): <div style="background-color: blue; color: white; text-align: center; padding: 5px;">NEEDS INPUT</div>	
Controls: <ul style="list-style-type: none"> Integration scheme agreement on cross-reporting NE Strategic Partnership Group 	Mitigating Actions: <ul style="list-style-type: none"> This is discussed regularly by the three North East Chief Officers



<ul style="list-style-type: none">Operational risk register	<ul style="list-style-type: none">Regular discussion regarding budget with relevant finance colleagues
Assurances: Audit & Performance Systems Committee	Gaps in assurance: None currently known
Current performance: No issues to report	Comments:
- 5 -	



Description of Risk: 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.	
Strategic Priority: Outcomes, safety and transformation	Lead Director: Chief Officer
Risk Rating: low/medium/high/very high <div style="background-color: yellow; text-align: center; padding: 5px;">MEDIUM</div>	Rationale for Risk Rating: Considered medium as arrangements are complex and mitigations untested in the 'go live' environments Rationale for Risk Appetite: The IJB has zero appetite for failure to meet its statutory requirements.
Risk Movement: <i>(increase/decrease/no change)</i> <div style="background-color: blue; color: white; text-align: center; padding: 5px;">NEEDS INPUT</div>	
Controls: <ul style="list-style-type: none"> • Scheme of delegation • Integration Scheme 	Mitigating Actions: <ul style="list-style-type: none"> • Consultation and engagement between bodies • Consideration being given by Chief Officers regarding



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<ul style="list-style-type: none"> • Current governance committees within IJB and NHS • North East Strategic Partnership Group 	development of Service Level Agreements or other mechanism
Assurances: <ul style="list-style-type: none"> • Agreement on regular reporting on hosting at each IJB • Regular Chief Officer meetings across Grampian area • Chief Officer a member of both NHS Grampian Senior Leadership Team and Aberdeen City Council's Corporate Management Team 	Gaps in assurance: <ul style="list-style-type: none"> • Potential gaps around standard interpretation of schemes
Current performance: <ul style="list-style-type: none"> • No current issues to report 	Comments:
- 6 -	



Description of Risk: 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.	
Strategic Priority: Outcomes and service transformation	Lead Director: Chief Officer
Risk Rating: low/medium/high/very high <div style="background-color: red; color: white; text-align: center; padding: 5px;">HIGH</div>	Rationale for Risk Rating: <ul style="list-style-type: none"> 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 Depending on which area this is in (e.g. corporate finance, legal services) the consequences are considered significant Rationale for Risk Appetite: There is a zero tolerance in relation to not meeting legal and statutory requirements.
Risk Movement: (increase/decrease/no change) <div style="background-color: blue; color: white; text-align: center; padding: 5px;">NEEDS INPUT</div>	
Controls: <ul style="list-style-type: none"> IJB Strategic Plan IJB Integration Scheme 	Mitigating Actions: <ul style="list-style-type: none"> Regular reporting at both Executive Management Team and Senior Operational Management team



<ul style="list-style-type: none"> • Agreed risk appetite statement • Role and remit of the North East Strategic Partnership Group in relation to shared services 	<ul style="list-style-type: none"> • Regular and ongoing Chief Officer membership of ACC Corporate Management Team and NHS Grampian Senior Leadership Team • Consideration in relation to Service Level Agreements being undertaken by the 3 North East Chief Officer. • Creation of Business Management Team with the partnership with representatives from all corporate services.
Assurances: <ul style="list-style-type: none"> • Executive Group reviews performance of corporate services' support regularly • Chief Finance officer role ensure liaison in relation to financial services • Chief Officer regularly discusses these service provisions with Corporate Directors 	Gaps in assurance: <ul style="list-style-type: none"> • None currently significant though note consideration relating to possible future Service Level Agreements
Current performance: <ul style="list-style-type: none"> • No issues to highlight 	Comments:
- 7 -	



Description of Risk: 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.	
Strategic Priority: Outcomes, safety, transformation of services	Lead Director: Director of Finance and Business
Risk Rating: low/medium/high/very high <div style="background-color: red; color: white; text-align: center; padding: 5px;">HIGH</div>	Rationale for Risk Rating: Risk felt to be moderate, given controls with potential risks in need of mitigation due to go-live implications Rationale for Risk Appetite: The IJB has zero tolerance of harm happening to people as a result of its actions or inaction.
Risk Movement: <i>(increase/decrease/no change)</i> <div style="background-color: blue; color: white; text-align: center; padding: 5px;">NEEDS INPUT</div>	
Controls: <ul style="list-style-type: none"> Clinical and Care Governance Committee and Group Audit and Performance Systems Committee 	Mitigating Actions: System re-design and transformation



<ul style="list-style-type: none"> • Risk-assessed performance plans and actions • Development of KPIs reported 	
<p>Assurances:</p> <ul style="list-style-type: none"> • Executive Group reviews processes and performance regularly • Joint meeting of IJB Chief Officer with two Partner Body Chief Executives • Audit & Performance Systems Committee • Clinical and Care Governance Committee 	<p>Gaps in assurance:</p> <ul style="list-style-type: none"> • Formal performance systems not yet developed. • Audit & Performance Systems Committee has met twice • Intelligent Board performance model
<p>Current performance: Council and NHS performance systems remain in place with single reporting in development.</p>	<p>Comments:</p>
<p>- 8 -</p>	



Description of Risk: 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.	
Strategic Priority: All	Lead Director: Chief Officer
Risk Rating: low/medium/high/very high <div style="background-color: red; color: white; text-align: center; padding: 5px;">HIGH</div>	Rationale for Risk Rating: Newness of the organisation and agenda for system transformation pose risk of reputational damage Rationale for Risk Appetite: Willing to risk certain reputational damage if rationale for decision is sound.
Risk Movement: <i>(increase/decrease/no change)</i> <div style="background-color: blue; color: white; text-align: center; padding: 5px;">NEEDS INPUT</div>	
Controls: <ul style="list-style-type: none"> Executive Management Team IJB and its Committees 	Mitigating Actions: <ul style="list-style-type: none"> Clarity of roles Staff and customer engagement



<ul style="list-style-type: none"> Operational management processes and reporting Board escalation process 	<ul style="list-style-type: none"> Effective performance and risk management
Assurances: <ul style="list-style-type: none"> Role of the Chief Officer and Executive Team Role of the Chief Finance Officer Performance relationship with NHS and ACC Chief Executives Communications plan / communications officer 	Gaps in assurance: None known at this time
Current performance: <ul style="list-style-type: none"> Chief Finance Officer appointed on a permanent basis Communications officer in place to lead reputation management 	Comments:
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Description of Risk:	



Failure to deliver transformation at a pace or scale required by the demographic and financial pressures in the system		
Strategic Priority: All		Lead Director: Chief Officer
Risk Rating: low/medium/high/very high <div style="background-color: red; color: white; text-align: center; padding: 5px;">HIGH</div>	Rationale for Risk Rating: 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 Rationale for Risk Appetite: The IJB has some appetite for risk relating to testing change and being innovative. The IJB has zero appetite for harm happening to people.	
Risk Movement: <i>(increase/decrease/no change)</i> <div style="background-color: blue; color: white; text-align: center; padding: 5px;">NEEDS INPUT</div>		
Controls: <ul style="list-style-type: none"> • Strategic Transformation and Commissioning programme management and governance • Audit and Performance Systems Committee • Transformation programme board in place 		Mitigating Actions: <ul style="list-style-type: none"> • Programme approach being taken in terms of the transformation programme • Recruitment taking place into senior and key project and programme management posts



<ul style="list-style-type: none"> Recruitment to key senior posts agreed 	<ul style="list-style-type: none"> Regular reporting to Executive Management Group Regular reporting to Audit and Performance Systems Committee
Assurances: <ul style="list-style-type: none"> Executive Management and Committee Reporting Programme Management approach IJB oversight Board escalation process 	Gaps in assurance: <ul style="list-style-type: none"> 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.
Current performance: No issues to report	Comments:
- 10 -	
Description of Risk	



There is a risk that the IJB does not maximise the opportunities offered by locality working	
Strategic Priority: All	Lead Director: Chief Officer
<div>Risk Rating: low/medium/high/very high</div> <div>HIGH</div>	<div>Rationale for Risk Rating:</div> <div>Considered medium in relation to ability to work at the pace required until all senior and locality posts recruited to in the new structure</div> <div>Rationale for Risk Appetite:</div> <div>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.</div>
<div>Risk Movement: (increase/decrease/no change)</div> <div>NEEDS INPUT</div>	
<div>Controls:</div> <div><ul style="list-style-type: none">Transformation programme and programme boardAudit and Performance Systems Committee</div>	<div>Mitigating Actions:</div> <div><ul style="list-style-type: none">There is a localities development programme manager in place supporting this workAgreed operational structure that reflects the importance of</div>



	localities and roles which support transformational potential of working at this level
Assurances: <ul style="list-style-type: none"> Regular Transformational Programme Board reports to Executive Management Team and to Audit and Performance Systems Committee Programme Management approach Agreement to recruit to Director of Strategic Commissioning role which will lead on the transformation at Executive level 	:Gaps in assurance <ul style="list-style-type: none"> None currently known
Current performance: <ul style="list-style-type: none"> Programme agreed at April's IJB and current milestones being met 	Comments:

Appendix 5: The IJBS Risk Appetite

Level of Risk	Risk Tolerance
Low	<p>Acceptable level of risk. No additional controls are required but any existing risk controls or contingency plans should be documented.</p> <p>Chief Officers/Managers/Risk Owners should review these risks applying the minimum review table within the risk register process document to assess whether these continue to be effective.</p>



Medium	<p>Acceptable level of risk exposure subject to regular active monitoring measures by Managers/Risk Owners. Where appropriate further action shall be taken to reduce the risk but the cost of control will probably be modest. Managers/Risk Owners shall document that the risk controls or contingency plans are effective.</p> <p>Chief Officers/Managers/Risk Owners should review these risks applying the minimum review table within the risk register process document to assess whether these continue to be effective.</p> <p>Relevant Chief Officers/Managers/Directors/Assurance Committees will periodically seek assurance that these continue to be effective.</p>
High	<p>Further action should be taken to mitigate/reduce/control the risk, possibly urgently and possibly requiring significant resources. Chief Officers/Managers/Risk Owners must document that the risk controls or contingency plans are effective. Managers/Risk Owners should review these risks applying the minimum review table within the risk register process document to assess whether these continue to be effective.</p> <p>Relevant Chief Officers/Managers/Directors/Executive and Assurance Committees will periodically seek assurance that these continue to be effective and confirm that it is not reasonably practicable to do more. The IJB's may wish to seek assurance that risks of this level are being effectively managed.</p> <p>However the IJB's may wish to accept high risks that may result in reputation damage, financial loss or exposure, major breakdown in information system or information integrity, significant incidents(s) of regulatory non-compliance, potential risk of injury to staff and public</p>
Very High	<p>Unacceptable level of risk exposure that requires urgent and potentially immediate corrective action to be taken. Relevant Chief Officer/Managers/Directors/Executive and Assurance Committees should be informed explicitly by the relevant Managers/Risk Owners.</p> <p>Managers/Risk Owners should review these risks applying the minimum review table within the risk register process document to assess whether these continue to be effective.</p> <p>The IJB's will seek assurance that risks of this level are being effectively managed.</p> <p>However the IJB's may wish to accept opportunities that have an inherent very high risk that may result in reputation damage, financial loss or exposure, major breakdown in information system or information integrity, significant incidents(s) of regulatory non-compliance, potential risk of injury to staff and public</p>