



Aberdeen City Health & Social Care Partnership
A caring 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 Head of Strategy and Transformation role as part of the wider strategic transformation programme, market facilitation programme and robust review of all contracts and our commissioning model.	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 • Risk fund set aside with transformation funding • Additional SG funding toward the Living Wage and Fair Working Practices have been agreed and applied by the IJB
Assurances:	Gaps in assurance:



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Market management and facilitation Audit and Performance Systems Committee overview	Market or provider failure can happen quickly despite good assurances being in place
Current performance: No current issues to report	Comments: <ul style="list-style-type: none"> • NCHC uplift for 2016/17 was 6.4% (2.5% on 01/04 & 3.9% on 01/10). • IJB agreed payment of living wage to Care at Home providers in September 2016 however there were some initial difficulties with the enhanced payments to some providers. • KT contracted to Spring 2016 to programme manage development of commissioning plan and market facilitation plan. • Market Facilitation steering group established September 2016; membership includes ACVO, CASPA and Scottish Care. • Commissioning plan work streams and associated leads have been identified. • Executive group agreed that current Care at Home contracts which expire 12/17 should be retendered at appropriate time. • IJB agreed (15/11/16) that drugs and alcohol contracts are to be retendered; contracts will be synchronised and effective as of 01/09/2017 • Currently engaged in discussion with National Chief Officer group on negotiations on 17/18 National Care Home Contract uplift using the Cost of Care Calculator to assist in this process



-2-	
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 <div style="background-color: yellow; text-align: center; padding: 5px;">MEDIUM</div>	Rationale for Risk Rating: <ul style="list-style-type: none"> • 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) 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.
Risk Movement: increase/decrease/no change: <div style="background-color: orange; text-align: center; padding: 5px;">NO CHANGE</div>	
Controls: 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	Mitigating Actions: 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.
Financial information is reported regularly to both the Audit & Performance Systems Committee, the Integration Joint Board and the Executive Team.	



investment to save over a three year period.	
Assurances: <ul style="list-style-type: none"> • Audit and Performance Systems Committee oversight and scrutiny of budget under the CFO • Board Assurance Framework. 	Gaps in assurance: <ul style="list-style-type: none"> • None known
Current performance: 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.	Comments: <ul style="list-style-type: none"> • Regular and ongoing budget reporting and tight management control in place



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Description of Risk: 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.			
Strategic Priority: Outcomes, safety and transformation		Lead Director: Chief Officer	
Risk Rating: low/medium/high/very high		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	
MEDIUM			
Risk Movement: increase/decrease/no change			
NO CHANGE		Rationale for Risk Appetite: Zero appetite.	
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• A review of the standing orders has been commissioned	
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		Comments: <ul style="list-style-type: none">• The process for agreeing and then recruiting into senior posts in the structure has, by necessity, to go at the pace of the	



relation to need to support IJB's committees – being mitigated by further recruitment to senior posts The Partnership will soon be able to advertise to fill Head of Locality Vacancies

- Steering group has been established to recruit officers to the Strategy and Transformation Team

partner organisations. This has extended the process and has meant that key posts are either just now being recruited to, or yet to be advertised;

- Given governance to agree certain senior posts within ACC has to report to Finance Policy and Resources Committee there is a risk of disagreement to establish and the impact of this on the IJB and its decision making is untested.



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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>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>NO CHANGE</div>	
Controls: <ul style="list-style-type: none">Integration scheme agreement on cross-reportingNE Strategic Partnership GroupOperational risk register	Mitigating Actions: <ul style="list-style-type: none">This is discussed regularly by the three North East Chief OfficersRegular discussion regarding budget with relevant finance colleagues
Assurances: Audit & Performance Systems Committee	Gaps in assurance: None currently known



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Current performance:

No issues to report

Comments:

- A meeting of the senior management teams of the three North East Scotland Health and Social Care Partnerships took place in December 2016 in order to establish the operating principles and processes for reporting outcomes from hosted services and governance to IJBs
- Further meetings are planned across the year to ensure flow of communication and establish practice of reporting on hosted services



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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	
Risk Movement: (increase/decrease/no change) <div style="background-color: orange; text-align: center; padding: 5px;">NO CHANGE</div>		Rationale for Risk Appetite: The IJB has zero appetite for failure to meet its statutory requirements.	
Controls: <ul style="list-style-type: none"> • Scheme of delegation • Integration Scheme • Current governance committees within IJB and NHS • North East Strategic Partnership Group 		Mitigating Actions: <ul style="list-style-type: none"> • Consultation and engagement between bodies • Consideration being given by Chief Officers regarding 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:**

- No current issues to report

Comments:

- Regular performance meetings between the Chief Officer and the Chief Executives of NHS Grampian and Aberdeen City Council take place
- Reporting template has been agreed to ensure a consistency of reporting and clear 'line of sight' to Accountable Officers
- A Protocol for budget setting has been developed to assist in this complex process and was tested for the first time for the 17/18 budget



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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

HIGH

Risk Movement: (increase/decrease/no change)

NO CHANGE

Rationale for Risk Rating:

- 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.

Controls:

- IJB Strategic Plan
- IJB Integration Scheme
- Agreed risk appetite statement
- Role and remit of the North East Strategic Partnership Group in relation to shared services

Mitigating Actions:

- Regular reporting at both Executive Management Team and Senior Operational Management team
- 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: <ul style="list-style-type: none">• Nothing to update on this report.



- 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: Chief Officer	
Risk Rating: low/medium/high/very high		Rationale for Risk Rating: Risk felt to be moderate, given controls with potential risks in need of mitigation due to go-live implications	
MEDIUM			
Risk Movement: <i>(increase/decrease/no change)</i>			
NO CHANGE		Rationale for Risk Appetite: The IJB has zero tolerance of harm happening to people as a result of its actions or inaction.	
Controls: <ul style="list-style-type: none">• Clinical and Care Governance Committee and Group Audit and Performance Systems Committee• Risk-assessed performance plans and actions• Development of KPIs reported		Mitigating Actions: System re-design and transformation	
Assurances: <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		Gaps in assurance: <ul style="list-style-type: none">• Formal performance systems not yet developed.• Audit & Performance Systems Committee meets regularly and is establishing reporting mechanisms Intelligent Board performance model has been agreed and is being populated	

**Current performance:**

Council and NHS performance systems remain in place with single reporting in development.

Comments:

- Clinical and Care Governance Committee and Group have been established and are meeting regularly
- Further work with the Good Governance Institute is supporting us in testing our processes robustly as a live organisation to ensure they are fit for purpose
- Action plan following last year's formal Inspection of Services for Older People has been agreed and approved by both the IJB and Inspection agencies
- Establishing reporting and assurance mechanisms for hosted and commissioned services



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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: (increase/decrease/no change) <div style="background-color: yellow; text-align: center; padding: 5px;">NO CHANGE</div>	
Controls: <ul style="list-style-type: none"> Executive Management Team IJB and its Committees Operational management processes and reporting Board escalation process 	Mitigating Actions: <ul style="list-style-type: none"> Clarity of roles Staff and customer engagement 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 	Comments: <ul style="list-style-type: none"> Communications strategy and action plan in place and being led by the HSCP's Communications Manager



management

- Communications Group in place comprising of staff across the partnership supporting us in getting the message right and appropriate
- Locality leadership groups being established to build our relationship with communities and stakeholders
- Regular CO/CEOs meeting supports good communication flow across partners as does CO's membership of the Corporate Management Teams of both ACC and NHSG



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 work streams 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: (increase/decrease/no change) <div style="background-color: orange; text-align: center; padding: 5px;">NO CHANGE</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 Recruitment to key senior posts agreed 		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 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 		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



<ul style="list-style-type: none">• Board escalation process•	such, a gap.
Current performance: No issues to report	Comments: <ul style="list-style-type: none">• Challenge of pace of recruitment to key posts given complexity of working across two systems has had an impact on pace• A review of the transformation programme and governance arrangements is being undertaken.

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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
Risk Rating: low/medium/high/very high <div style="background-color: #FFD700; text-align: center; padding: 5px;">MEDIUM</div>	Rationale for Risk Rating: Considered medium in relation to ability to work at the pace required until all senior and locality posts recruited to in the new structure Rationale for Risk Appetite: 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.
Risk Movement: <i>(increase/decrease/no change)</i> <div style="background-color: #FFD700; text-align: center; padding: 5px;">NO CHANGE</div>	
Controls: <ul style="list-style-type: none"> Transformation programme and programme board Audit and Performance Systems Committee 	Mitigating Actions: <ul style="list-style-type: none"> There is a localities development programme manager in place supporting this work Agreed operational structure that reflects the importance of 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 Strategy and Transformation role which will lead on the transformation at 	Gaps in assurance <ul style="list-style-type: none"> None currently known



Executive level	
Current performance: <ul style="list-style-type: none"> Programme agreed at April's IJB and current milestones being met 	Comments: <ul style="list-style-type: none"> Advertising for Locality Lead posts in Feb 2017 – successful recruitment will escalate pace

Appendix 5: The IJBS Risk Appetite

<i>Level of Risk</i>	<i>Risk Tolerance</i>
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>