INVERCLYDE HSCP
Health and Social Care Partnership

Report To:	**Inverclyde Integration Joint Board Audit Committee**	**Date:**	**23 June 2025**
Report By:	**Kate Rocks** **Chief Officer** **Inverclyde Health & Social Care Partnership**	**Report No:**	**IJBAC/24/2025/CG**
Contact Officer:	**Craig Given** **Chief Finance Officer** **Inverclyde Health & Social Care Partnership**	**Contact No:**	**01475 715365**
Subject:	**HSCP Updated Risk Management Policy and Strategy**		

1.0 PURPOSE AND SUMMARY

1.1 ☒For Decision   ☒For Information/Noting

1.2 The purpose of this report is to provide the Integration Joint Board Audit Committee with an updated HSCP Risk Management Policy and Strategy.

1.3 Officers plan work with the IJB in 2025/26 to further develop this strategy taking into account the risk management policies of all our partners and make further developments including risk appetite statements.

2.0 RECOMMENDATIONS

2.1 The Integration Joint Board Audit Committee are asked to:

- Approve the updated HSCP Risk Management Policy and Strategy.

- Note the requirement for Officers to work with the IJB in 205/26 to develop this strategy further.

Kate Rocks
Chief Officer
Inverclyde Health and Social Care Partnership

3.0 BACKGROUND AND CONTEXT

3.1 As part of our ongoing review of governance procedures it has been recognised that the HSCP's current Risk Management Policy and Strategy needs to be refreshed. This was last approved by the IJB in 2016. A refreshed Risk Management Policy and Strategy can be seen in Appendix 1.

3.2 As part of a recent external audit, it was recommended that the HSCP update this policy. This policy has been reviewed by senior management and the general principles for risk management remain the same in terms of tolerance, scoring and reporting. A number of minor changes have been made to the policy mainly in relation to the Risk Management Process highlighted in section 2 and an updated process flowchart. Regular updates on the IJB risk register will continue to be reported to the IJB Audit Committee at least every 6 months.

3.3 In addition to this updated Policy and Strategy, Inverclyde HSCP now has access to a jointly funded post with Inverclyde Council to develop this strategy further. In the coming months senior management will work closely with this resource on several areas. This will include developing Risk Appetite Statements and further aligning our policy to meet the needs of the IJB and our partners. A development session will be held with the IJB in due course which will explore our risk appetite further.

4.0 PROPOSALS

4.1 The Integration Joint Board Audit Committee are asked to approve the updated Risk Management Policy and Strategy and to note that further work will commence to strengthen the Policy further by a development session with the IJB.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial		x
Legal/Risk		x
Human Resources		x
Strategic Plan Priorities	x	
Equalities, Fairer Scotland Duty & Children and Young People		x
Clinical or Care Governance		x
National Wellbeing Outcomes		x
Environmental & Sustainability		x
Data Protection		x

5.2 **Finance**

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments

5.3 **Legal/Risk**

None

5.4 **Human Resources**

As outlined within the Plan, recruitment and retention across health and social care sector is problematic and the plan aims to augment how we address this.

5.5 **Strategic Plan Priorities**

All of our 4 strategic outcomes are affected by risk and will need to be taken into account when we consider our overall Policy and Strategy.

5.6 **Equalities**

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required. The Equality Impact Assessment for the refreshed Strategic Plan can be accessed here: Equality Impact Assessments(EIA) 2023 - Inverclyde Council
x	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required. Provide any other relevant reasons why an EqIA is not necessary/screening statement.

(b) Equality Outcomes

How does this report address our Equality Outcomes?

Equalities Outcome	Implications
We have improved our knowledge of the local population who identify as belonging to protected groups and have a better understanding of the challenges they face.	N/A
Children and Young People who are at risk due to local inequalities, are identified early and supported to achieve positive health outcomes.	N/A
Inverclyde's most vulnerable and often excluded people are supported to be active and respected members of their community.	N/A
People that are New to Scotland, through resettlement or asylum, who make Inverclyde their home, feel welcomed, are safe, and able to access the HSCP services they may need.	N/A

(c) <u>Fairer Scotland Duty</u>

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
x	NO – Assessed as not relevant under the Fairer Scotland Duty for the following reasons: Provide reasons why the report has been assessed as not relevant.

(d) **Children and Young People**

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
x	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children's rights.

5.7 **Clinical or Care Governance**

As per the Action Plan, ongoing monitoring of vacancies, demand, capacity and skills by the SMT will ensure risks to clinical or care governance are highlighted and addressed.

5.8 **National Wellbeing Outcomes**

How does this report support delivery of the National Wellbeing Outcomes?

National Wellbeing Outcome	Implications
People are able to look after and improve their own health and wellbeing and live in good health for longer.	N/A
People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community	N/A
People who use health and social care services have positive experiences of those services, and have their dignity respected.	N/A
Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	N/A
Health and social care services contribute to reducing health inequalities.	N/A
People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.	N/A
People using health and social care services are safe from harm.	N/A
People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	N/A
Resources are used effectively in the provision of health and social care services.	N/A

5.9 **Environmental/Sustainability**

Summarise any environmental / climate change impacts which relate to this report.

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
x	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.10 **Data Protection**

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
x	NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

6.0 DIRECTIONS

6.1

Direction Required to Council, Health Board or Both	Direction to:	
	1. No Direction Required	x
	2. Inverclyde Council	
	3. NHS Greater Glasgow & Clyde (GG&C)	
	4. Inverclyde Council and NHS GG&C	

7.0 CONSULTATION

7.1 This report has been prepared following liaison with the Heads of Service.

8.0 BACKGROUND PAPERS

8.1 N/A

INVERCLYDE
HSCP
Health and Social
Care Partnership

Health and Social Care Partnership
Integration Joint Board (IJB)
Risk Management Policy and Strategy
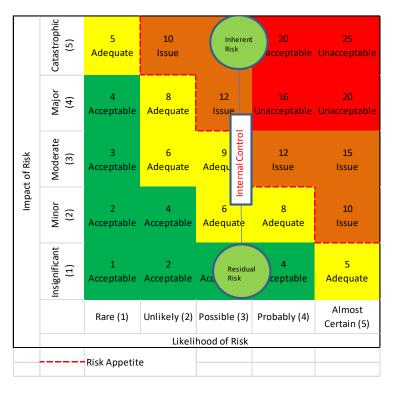
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Policy – the risk management approach

1.1 The **Inverclyde** Integration Joint Board (IJB) is committed to a culture where its workforce is encouraged to develop new initiatives, improve performance and achieve goals safely, effectively and efficiently by appropriate application of good risk management practice.

1.2 In doing so the IJB aims to provide safe and effective care and treatment for service users and a safe environment for everyone working within the IJB and others who interact with the services delivered under its direction.

1.3 The IJB believes that appropriate application of good risk management will prevent or mitigate the effects of loss or harm and will increase success in the delivery of better clinical and financial outcomes, objectives, achievement of targets and fewer unexpected challenges.

Key benefits of effective risk management:

- high achievement of objectives and targets;
- risk 'aware' not risk 'averse' decisions are based on a balanced appraisal of risk and enable acceptance of certain risks in order to achieve a particular goal or reward;
- high levels of morale and productivity;
- better use and prioritisation of resources;
- high levels of user experience / satisfaction with a consequent reduction in adverse incidents, claims and / or litigation; and
- a positive reputation established for the IJB.

1.4 The IJB purposefully seeks to promote an environment that is risk 'aware' and strives to place risk management information at the heart of key decisions. This means that they can take an effective approach to managing risk in a way that both address significant challenges and enables positive outcomes.

1.5 In normal circumstances the amount of risk the IJB is willing to take in pursuit of its objectives i.e. risk appetite, is as follows:

Impact of Risk		Rare (1)	Unlikely (2)	Possible (3)	Probably (4)	Almost Certain (5)
Catastrophic (5)		5 Adequate	10 Issue	**Inherent Risk**	20 Unacceptable	25 Unacceptable
Major (4)		4 Acceptable	8 Adequate	12 Issue	16 Unacceptable	20 Unacceptable
Moderate (3)		3 Acceptable	6 Adequate	9 Adequate	12 Issue	15 Issue
Minor (2)		2 Acceptable	4 Acceptable	6 Adequate	8 Adequate	10 Issue
Insignificant (1)		1 Acceptable	2 Acceptable	**Residual Risk** / 3 Acceptable	4 Acceptable	5 Adequate
		Rare (1)	Unlikely (2)	Possible (3)	Probably (4)	Almost Certain (5)
				Likelihood of Risk		

Internal Control

- - - - - Risk Appetite

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An explanation of the risk scores and how the risk should be managed is as follows:

Level of Risk (Inherent Risk Score)	Indicated By	How risk should be managed
Very High Risk (16 - 25)	Red	**Requires active management.** High impact/high likelihood: risk requires active management to manage down and maintain exposure at an acceptable level.
High Risk (10 - 15)	Amber	**Contingency plans.** A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from plan.
Medium Risk (5 - 9)	Yellow	**Good Housekeeping.** May require some risk mitigation to reduce likelihood if this can be done cost effectively but good housekeeping to ensure the impact remains low should be adequate. Reassess frequently to ensure conditions remain the same.
Low Risk (1 - 4)	Green	**Review periodically.** Risks are unlikely to require mitigating actions but status should be reviewed frequently to ensure conditions have not changed.

1.6 The IJB promotes the pursuit of opportunities that will benefit the delivery of the Strategic Plan. Opportunity-related risk must be carefully evaluated in the context of the anticipated benefits for services users and the IJB.

1.7 The IJB will receive assurance reports (internal and external) not only on the adequacy but also the effectiveness of its risk management arrangements and will consequently value the contribution that risk management makes to its wider governance arrangements.

1.8 The IJB, through the following risk management strategy, has established a Risk Management Framework, (which covers risk policy, procedure, process, systems, risk management roles and responsibilities).

Strategy - Implementing the policy

1   Introduction

1.1 The primary objectives of this strategy will be to:

- promote awareness of risk and define responsibility for managing risk within the IJB;

- establish communication and sharing of risk information through all areas of the IJB;

- initiate measures to reduce the IJB's exposure to risk and potential loss; and

- establish standards and principles for the efficient management of risk, including regular monitoring, reporting and review.

1.2 This strategy takes a positive and holistic approach to risk management. The scope applies to all risks, whether relating to the clinical and care environment, employee safety and wellbeing, financial risk, business risk, opportunities or threats.
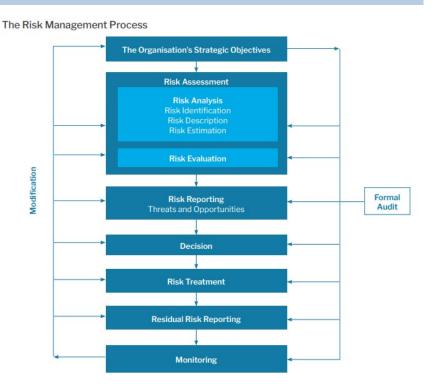
1.3 **Strategic risks** represent the potential for the IJB to achieve (opportunity) or fail to meet (threat) its desired outcomes and objectives as set out within the Strategic Plan, and typically these risks require strategic leadership in the development of activities and application of controls to manage the risk.

1.4 **Operational risks** represent the potential for impact (opportunity or threat) within or arising from the activites of an individual service area or team operating within the scope of the IJB's activities. Parent bodies will retain responsibility for managing operational risks as operational risks will be more 'front-line' in nature and the development of activities and controls to respond to these risks can be led by local managers and team leaders. Where a number of operational risks impact across multiple service areas or, because of interdependencies, require more strategic leadership, then these can be proposed for escalation to 'strategic risk' status for the IJB.

1.5 All risks will be analysed consistently with an evaluation of risk based Risk Impact (scored 1 to 5) multiplied by Likelihood (scored 1 to 5) as follows:

Risk Impact	Likelihood
1 – Insignificant	1 – Rare
2 – Minor	2 – Unlikely
3 – Moderate	3 – Possible
4 – Major	4 – Probable
5 – Catastrophic	5 – Almost Certain

1.6 All risks assessed as scoring 10 or above on the following matrix will be monitored and extreme risk scoring 16 or above will be viewed as significant and therefore subject to closer scruitiny by the IJB Audit Committee.

1.7 This document represents the risk management framework to be implemented across the IJB and will contribute to its wider governance arrangements.

2   Risk management process

2.1 Risk Management is about the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects[1]. It is pro-active in understanding risk and uncertainty, it learns and builds upon existing good practice and is a continually evolving process that has an important role in ensuring that defensible and beneficial decisions are made.

2.2 The IJB embeds risk management practice by consistent application of the risk management process shown in the diagram on the right, across all areas of service delivery and business activities.

The Risk Management Process

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[1] Association of Local Authority Risk Managers (ALARM) A Risk Management Guide 2022

3   Application of good risk management across the IJB activities

3.1 Standard procedures will be implemented across all areas of activity that are under the direction of the IJB in order to achieve consistent and effective implementation of good risk management, as follows:

3.1.1   Full implementation of the risk management process. This means that risk management information should (wherever possible) be used to guide major decisions in the same way that cost and benefit analysis is used.

3.1.2   Identification of risk using standard methodologies, and involving subject experts who have knowledge and experience of the activity or process under consideration.

3.1.3   Categorisation of risk under the headings below:

- Strategic Risks: such as risks that may arise from Political, Economical, Social, Technological, Legislative and Environmental factors that impact on the delivery of the Strategic Plan outcomes.

- Operational Risks: such as risks that may arise from or impact on Clinical Care and Treatment, Social Care and Treatment, Customer Service, Employee Health, Safety & Wellbeing, Business Continuity / Supply Chain, Information Security and Asset Management.

3.1.4   Appropriate ownership of risk. Specific risks will be owned by / assigned to whoever is best placed to manage the risk and oversee the development of any new risk controls required.

3.1.5   Consistent application of the agreed risk matrix to analyse risk in terms of likelihood of occurrence and potential impact, taking into account the effectiveness of risk control measures in place. The risk matrix to be used is attached in Appendix 1.

3.1.6   Consistent response to risk that is proportionate to the level of risk. This means that risk may be terminated; transferred elsewhere (i.e. to another partner or third party); tolerated as it is; or treated with cost effective measures to bring it to a level where it is acceptable or tolerable for the IJB in keeping with its appetite for risk. In the case of opportunities, the IJB may take an informed risk in terms of tolerating it if the opportunity is judged to be (1) worthwhile pursuing and (2) where the IJB is confident in its ability to achieve the benefits and manage / contain the associated risk.

3.1.7   Implementation and maintenance of risk registers as a means of collating risk information in a consistent format allowing comparison of risk evaluations, informed decision-making in relation to prioritising resources and ease of access to information for risk reporting.

3.1.8   Reporting of strategic risks and key operational risks to the IJB Audit Committee on a six monthly basis.

3.1.9   Routine reporting of risk information within and across teams and a commitment to a 'lessons learned' culture that seeks to learn from both good and poor experience in order to replicate good practice and reduce adverse events and associated complaints and claims.

Risk leadership and accountability

4   Governance, roles and responsibilities

4.1 Integration Joint Board
Members of the IJB are responsible for:

- oversight of its risk management arrangements;
- receipt and review of reports on strategic risks and any key operational risks that require to be brought to their attention; and
- ensuring they are aware of any risks linked to formal reports and recommendations from the Chief Officer and other senior officers of the Health and Social Care Partnership concerning new priorities or policies.

Strategic risk registers will be presented to the IJB Audit Committee for scruitiny and the IJB for approval on an annual basis.

4.2 Chief Officer
The Chief Officer has overall accountability for the IJB's risk management framework, ensuring that suitable and effective arrangements are in place to manage the risks relating to the functions within the scope of the IJB. The Chief Officer will keep the Chief Executives of the IJB's partner bodies informed of any significant existing or emerging risks that could seriously impact the IJB's ability to deliver the outcomes of the Strategic Plan or its the reputation.

4.3 Chief Financial Officer (CFO)
The CFO will be responsible for promoting arrangements to identify and manage key business risks, risk mitigation and insurance.

4.4 Partnership Senior Management Team (SMT)
Members of the SMT are responsible for:

- supporting the Chief Officer and CFO in fulfilling their risk management responsibilities;
- receipt and review of regular risk reports on strategic, shared and key operational risks and escalating any matters of concern to the IJB; and
- ensuring that the standard procedures set out in this strategy are actively promoted across their teams and within their areas of responsibility.

4.5 Individual Risk Owners
It is the responsibility of each risk owner to ensure that:

- risks assigned to them are analysed in keeping with the agreed risk matrix;
- data on which risk evaluations are based are robust and reliable so far as possible;
- risks are defined clearly to make explicit the scope of the challenge, opportunity or hazard and the consequences that may arise;
- risk is reviewed not only in terms of likelihood and impact of occurrence, but takes account of any changes in context that may affect the risk; and
- controls that are in place to manage the risk are proportionate to the context and level of risk.

4.6 All persons working under the direction of the IJB
Risk management should be integrated into daily activities with everyone involved in identifying current and potential risks where they work. Individuals have a responsibility to make every effort to be aware of situations which place them or others at risk, report identified hazards and implement safe working practices developed within their service areas. This approach requires everyone to understand:

- the risks that relate to their roles and activities;
- how their actions relate to their own, their patient's, their services user's and public safety;
- their accountability for particular risks and how they can manage them;

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- the importance of flagging up incidents and / or near misses to allow lessons to be learned and contribute to ongoing improvement of risk management arrangements; and
- that good risk management is a key part of the IJB's culture.

These operational risks are controlled and monitored by the Council and Health Board rather than the IJB.

4.7 <u>Partner Bodies</u>
It is the responsibility of relevant specialists from the partner bodies, (such as internal audit, external audit, clinical and non clinical risk managers and health and safety advisers) to attend meetings as necessary to consider the implications of risks and provide relevant advice. It is the responsibility of the partner bodies to ensure they routinely seek to identify any residual risks and liabilities they retain in relation to the activities under the direction of the IJB.

4.8 <u>Senior Information Risk Owner</u>
Responsibility for this specific role will remain with the Council and the Health Board.

Resourcing risk management

5	Resourcing the risk management framework

5.1 The Health Board's Director of Finance and Council's Section 95 Officer will ensure that the IJB and its Audit Committee is provided with the necessary technical and corporate support to develop, maintain and scrutinise strategic risk registers.

5.2 Much of the work on developing and leading the ongoing implementation of the risk management framework will be undertaken as part of routine actitity within the IJB.

5.3 Wherever possible the IJB will ensure that any related risk management training and education costs will be kept to a minimum, with the majority of risk-related courses / training being delivered through resources already available to the IJB (the partner body risk managers / risk management specialists).

6	Resourcing those responsible for managing specific risks

6.1 Where risks impact on a specific partner body and new risk control measures require to be developed and funded, it is expected that the costs will be borne by that partner organisation.

6.2 Financial decisions in respect of the IJB's risk management arrangements will rest with the CFO.

Training, learning and development

7	Risk management training and development opportunities

7.1 To implement effectively this policy and strategy, it is essential for people to have the competence and capacity for managing risk and handling risk judgements with confidence, to focus on learning from events and past experience in relation to what has worked well or could have been managed better, and to focus on identifying necessary enhancements to processes.

7.2 Training is important and is essential in embedding a positive risk management culture across all activities under the direction of the IJB and in developing risk management maturity. The SMT will regularly review risk management training and development needs and source the relevant training and development opportunities required.

Monitoring activity and performance

8	Monitoring risk management activity

8.1 The IJB operates in a dynamic and challenging environment. A suitable system is required to ensure risks are monitored for change in context and scoring so that appropriate response is made.

8.2 Monitoring will include review of the IJB's risk profile at SMT level every six months.

8.3 It is expected that partner bodies will use IJB risk reports to keep their own organisations updated on the management of the risks, highlighting any IJB risks that might impact on the partner organisation.

9	Monitoring risk management performance

9.1 Measuring, managing and monitoring risk management performance is key to the effective delivery of key objectives.

9.2 Key risk indicators (KRIs) will be linked where appropriate to specific risks to provide assurance on the performance of certain control measures. For example, specific clinical incident data can provide assurance that risks associated with the delivery of clinical care are controlled, or budget monitoring Performance Indicators (PIs) can provide assurance that key financial risks are under control.

9.3 The performance data linked to the Strategic Plan will also inform the identification of new risks or highlight where existing risks require more attention.

Communicating risk management

10   Communicating, consulting on and reviewing the risk management framework

10.1   Effective communication of risk management information is essential to developing a consistent and effective approach to risk management.

10.2   Copies of this policy and strategy will be widely circulated via the SMT and will form the basis of any risk management training arranged by the IJB.

10.3   The Policy and Strategy (version 1.0) was approved by the IJB at its meeting in 2016.

10.4   This policy and strategy will be reviewed every three years to ensure that it reflects current standards and best practice in risk management and fully reflects the IJB's business environment.

Appendix 1 Risk Matrix

Impact of Risk		Rare (1)	Unlikely (2)	Possible (3)	Probably (4)	Almost Certain (5)
Catastrophic (5)		5 Adequate	10 Issue	15 Issue	20 Unacceptable	25 Unacceptable
Major (4)		4 Acceptable	8 Adequate	12 Issue	16 Unacceptable	20 Unacceptable
Moderate (3)		3 Acceptable	6 Adequate	9 Adequate	12 Issue	15 Issue
Minor (2)		2 Acceptable	4 Acceptable	6 Adequate	8 Adequate	10 Issue
Insignificant (1)		1 Acceptable	2 Acceptable	3 Acceptable	4 Acceptable	5 Adequate

Likelihood of Risk

- - - - Risk Appetite

Risk Impact

	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
Financial	<£100k	£100k-£250k	£250k-£500k	£500k-£1,000k	£1,000k>
Reputation	Individual negative perception	Local negative perception	Intra industry or regional negative perception	National negative perception	Sustained national negative perception
Legal and Regulatory	Minor regulatory or contractual breach resulting in no compensation or loss	Breach of legislation or code resulting in a compensation award	Regulatory censure or action, significant contractual breach	Breach of regulation or legislation with severe costs/fine	Public fines and censure, regulatory veto on projects/ withdrawal of funding. Major adverse corporate litigation
Opertional/ Continuity	An individual service or process failure	Minor problems in specific areas of service delivery	Impact on specific customer group or process	Widespread problems in business operations	Major service of process failure impacting majority or major customer groups

Likelihood

	1 Rare	2 Unlikely	3 Possible	4 Probable	5 Almost Certain
Definition	Not likely to happen in the next 3 years	Unlikely to happen in the next 3 years	Possible to occur in the next 3 years	Likely to occur in the next year	Very likely to occur in the next 6 months