North East London Integrated Care Board

Risk Management Policy and Strategy

This policy will impact on:	All staff, board/committee members, sub-committee members, and anyone, including external partners, working closely with the ICB assisting it in carrying out its role.
Financial implications:	None identified
Policy area:	Governance
Version No:	V 1.1
Issued by:	Participation and Place
Author:	Head of Governance
Document reference:	
Effective date: (issued)	20 June 2024
Review date:	1 June 2026
Impact assessment date:	June 2024

APPROVAL RECORD	
Committees/Group/Individual	Date
Integrated Care Board	1 July 2022
Audit and Risk Committee	20 June 2024

Contents

North East London Integrated Care Board
Risk Management Policy and Strategy

A. INTRODUCTION

A1. Introduction
This document sets out the Risk Management Policy and Strategy of North East London Integrated Care Board (ICB). It provides guidance on the policy, processes and procedures for risk management.

This policy and strategy is available to all ICB staff, board/committee members, sub-committee members, member of the public and anyone, including external partners, working closely with the ICB assisting it in carrying out its role and is published as part of the ICB's Governance Handbook.

This policy applies to all ICB employees and other workers. The policy also applies to employees from external organisations who may have a role within the Integrated Care System (ICS) which requires risk management. Employees wishing to escalate risks regarding their own organisation should do so in accordance with their own organisation's policies. Partner organisations within the ICS should continue to hold their own risk registers in accordance with their local policies.

The policy and strategy will be reviewed on an annual basis or sooner should any immediate changes be required to the operation of risk management processes and reporting, or to address the outcome of any related audits.

A2. Equalities
This policy has been created and written in accordance with the provisions of the Equality Act 2010 (EA 2010). In addition, it supports the achievement of the aims of the EA 2010 and the Public Sector Equality Duty contained therein.

A3. Fraud and Bribery
This policy helps to reduce the risk of fraud and bribery occurring in the ICB by providing a robust system of internal control for risk management. This policy supports and complements the ICB's Anti- Fraud, Bribery and Corruption Policy and has been reviewed by the ICB's Local Counter Fraud Specialist. Fraud and bribery risks will be included on the organisation's risk register where appropriate and the ICB's performance against the standards will be assessed annually via the completion of the NHS Counter Fraud Authority Self Review Tool. The Anti- Fraud, Bribery and Corruption Policy can be found in the ICB Governance Handbook.

A4. Help and Support
For any support with this policy please contact the ICB's Head of Governance or Governance Team.

B. AIMS AND PRINICPLES

B1. Policy Aims
The aims of this policy are to:
- Promote organisational success and help the ICB to achieve its objectives
- Ensure organisational grip of key risks
- Empower staff to manage risks effectively

- Promote and support proactive risk management
- Support the Chief Executive Officer in discharging their stewardship responsibilities
- Support a culture of openness, transparency in the reporting and management of risks
- Help create a culture that recognises uncertainty and supports considered, measured and appropriate risk taking and effective risk management
- Support new ways of working and innovation
- Provide clear guidance to staff
- Offer a consistent, visible and repeatable approach to risk management
- Support good governance and provide internal controls
- Evidence the importance of risk management to the ICB and wider ICS partnerships.

B2. Aims of Risks Management

The overarching aims of the ICB are to improve outcomes in population health and healthcare, tackle inequalities in outcomes, experience and access, improve value for money and efficiency and support broader social and economic development through convening partners, planning strategically and commissioning high quality, cost-efficient, sustainable and effective healthcare services for its population.

To achieve this the ICB recognises and appreciates that it will need to take risks in a measured, considered and appropriate way. Good risk management is a tool that supports and empowers staff in this regard by enabling them to identify, assess and control risks in a way that is visible, consistent and makes best use of resources.

B3. Risk management principles

Risk management within the ICB will be carried out in accordance with the following principles:

Principle	Description
Proactive	Risk management will be used proactively to manage key risks and used as an active management tool. This helps to ensure that risks are considered and future actions planned in a visible, consistent and controlled manner. Risk management will form part of plans with work on risk management being front loaded.
Aligns with objectives	Risk management will be focused on the key uncertainties which may impact on the achievement of one or more objectives. Risks will be identified and given the appropriate priority for action.
Fits the context	The risk management approach will be designed to fit the internal and external environment in which the ICB operates and so that time, effort, resources and energy will be used in the appropriate way.
Engages partners and stakeholders	Risk management will engage with the right partners and stakeholders in the Integrated Care System and deal with different perceptions of risk. Appropriate risks will be identified early and dealt with at the right level.
Promotes, guides and supports a clear and consistent approach	Risk management will provide clear and coherent guidance to staff and key stakeholders so everyone can see how the ICB identifies, assesses and controls key risks, and is consistent across the ICB. This enables people to compare results with plans and enable better decision making about how resources are deployed. It also provides clear guidance on roles within risk management and explains responsibilities and accountability.

Informs decision making	Risk management will be linked to and inform decision making across the organisation. This enables important decisions to be made with explicit consideration of the impact of risks and the status of risk management. This also helps to safeguard the decision-making process to allow for good decision making.
Facilitates continual improvement	Risk management will be used to help the ICB to learn and improve by proactively managing risks and increasing organisational risk maturity. The organisation will use its experience of risk management to continually improve through 'lessons learned' and make best use of the resources available.
Creates a supportive culture	The ICB will create a culture that recognises uncertainty and supports considered risk taking. The organisation recognises that zero risk taking is neither possible nor desirable.
Achieves measurable value	Risk management will help to achieve measurable value through the effective identification and management of key risks. In general, it costs less to anticipate and manage a risk than it does to recover from an issue.

B4. Proactive Planning Tool

Effective risk management is a tool that is used proactively and forms a key part of planning. The work is front loaded with the time staff invest in properly identifying, considering, assessing, planning and managing risks paying dividends as work progresses, as problems are dealt with before they become issues and opportunities are maximised before they pass.

B5. Types of Risk

This policy applies to all corporate risks which include but are not limited to:
- Business risks
- Service delivery risks
- Clinical risks
- Collaboration risks
- Communications risks
- Environmental risks
- Financial risks
- Fraud risks
- Governance risks
- Information risks
- IT risks
- Operational risks
- Project risks
- Quality and safety risks
- Regulatory and compliance risks
- Reputational risks
- Strategic risks.

B6. Definition of Risk

Risk is defined as an uncertain event or set of events which if they occur will threaten the achievement of one or more of the ICB's strategic corporate objectives, such as poor performance in one or more of our hospitals or trusts risking our ability to ensure we meet the financial duty to breakeven. A list of the ICB's objectives can be found in section D1. Issues fall outside the scope of this policy as they are defined as an event that is already happening or has happened.

B7. Key Risks

The I C B wants to create a culture that supports effective risk management and using resources in the most appropriate way.

The management of risk needs to be proportionate – with key risks needing to be managed formally. Key risks fall into one or two categories:
1. Risks identified as so serious or difficult to control that staff feel they need to take a formal approach to effectively manage them
2. Risks identified as being sufficiently serious and difficult to effectively control that they will stop the ICB from achieving one or more of its strategic corporate objectives.

What constitutes a key risk is a matter of judgment and involves a level of subjectivity. However, it excludes the vast majority of uncertainties or everyday risks which teams have tried and tested methods for dealing with. It also excludes those risks that can be resolved or mitigated in a relatively straightforward way.

For the ICB, risk will be considered at both an organisational and system level, given the ICB's role in convening the system and the role of the ICB Board in acting as the Board for the system as well as the ICB as an organisation.

B8. How is Risk Measured?

Risk is the combination of two factors:
- The impact, consequence or severity on an objective if the risk occurs ('Impact'); and
- The likelihood or probability of the risk occurring ('Likelihood').

Both Impact and Likelihood are measured on scales of 1-5 in accordance with the charts below:

Impact Scale:

Descriptor of Level of Impact on the Objective	Impact for the Objective	Impact Score
Very low impact	Very Low	1
Low impact	Low	2
Moderate impact	Medium	3
High impact	High	4
Very high impact	Very High	5

Likelihood Scale:

Descriptor of Level of Likelihood the Risk will Occur	Likelihood the Risk will Occur	Likelihood Score
Highly unlikely to occur	Very Low	1
Unlikely to occur	Low	2
Fairly likely to occur	Medium	3
More likely to occur than not	High	4
Almost certainly will occur	Very High	5

Appendix 1 outlines how the impact score should be calculated and provides examples of what constitutes a score of 1-5 in a number of different work themes.

B9. Calculating the Risk Score

Once a risk has been measured it needs to be scored as this indicates how serious

the risk is, the level of importance and the priority that should be attached to controlling the risk. The risk score is calculated as follows:

Impact Score x Likelihood Score = Risk Score
The Risk Score is then matched against the following chart to understand the level of seriousness, importance and the priority the risk should be given:

LIKELIHOOD	Impact				
	Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Very Low (1)	1	2	3	4	5
Low (2)	2	4	6	8	10
Medium (3)	3	6	9	12	15
High (4)	4	8	12	16	20
Very High (5)	5	10	15	20	25

1-3 Low Risk Low Priority	4-6 Medium Risk Moderate Priority	8-12 High Risk High Priority	15-25 Very High Risk Very High Priority

B10. Perspectives

Risks should be identified, assessed, understood and controlled at the appropriate organisational level based on the objectives to which they relate. This is because risks have different meanings and significance depending on what they are a risk to and need therefore to be given the appropriate priority. A risk at one organisational level may or may not be a risk at another level. In addition, a risk at one level may pose or generate a totally different risk at another level.

Project and programme risks will often have varying significance at different organisational levels due to the nature of the work. For example: The risk of clinical leaders not engaging with a certain project will have a very high impact score for the project (the project will not progress), however this would have a lower score at a corporate level as it does not impact on the organisation's corporate objectives. Further information on managing project and programme risks can be found in sections E9.

B11. Risk Appetite

The Risk Appetite is the amount of risk that an organisation is willing to accept. All staff must work within the agreed Risk Appetite levels when managing risks. The ICB Board decides and sets the Risk Appetite levels once the risk has escalated to the Board Assurance Framework. The appetite level will then be reviewed on an annual basis when the ICB's corporate objectives are refreshed.

The ICB recognises that its long-term sustainability depends upon the delivery of its strategic objectives and its relationships with its residents, staff, and partners. The ICB Board has developed and agreed the principles of risk that the ICB is prepared to accept, deal and tolerate whilst in pursuit of its objectives. It is important that the Risk Appetite does not exceed the ICB's capacity to effectively manage its risks and the ICB's ability to meet its financial control total.

The Risk Appetite and framework is set out in Appendix 2. Appendix 2 does not form part of this policy and may be amended or updated as necessary without the need to formally approve this policy.

B12. Assurance

The ICB is a publicly funded body that is regulated by NHS England. As such the organisation is under legal duties to ensure that it is well governed and managed and can clearly demonstrate this to NHS England and the ICB's auditors. This is done through the NHS England assurance process. A key part of this is demonstrating that the ICB has a robust and effective risk management system in place which everyone in the organisation is using and adhering to.

In this regard the ICB's risk management system will be transparent, consistent, replicable, robust, auditable and meet the reasonable requirements of the organisation's regulators and auditors considering costs and available resources.

B13. Proportionality

Risks should be managed in a way that is proportionate to the level of risk. This will vary on a case by case basis depending on the nature of the risk. For example, a programme which has a risk of key deadlines being missed, would be a risk to that programme but not to the organisation as it would not impact the functioning of the ICB.

B14. Training and feedback

The ICB aims to manage risks effectively and create a culture that recognises uncertainty and supports considered, measured and appropriate risk taking. To achieve this staff with a responsibility for risk will be provided with appropriate training.

It is the responsibility of these staff and their line managers to ensure they are available for and receive risk management training.

All staff are able to request additional risk management training if they feel it will help support them in their role or are interested in developing their skills further. All requests should be made to the Governance Team.

Staff are encouraged to provide feedback on risk management to ensure an inclusive approach to risk management. Feedback can be provided to the Chief Officer, Risk Champion (see section C) or Head of Governance.

B15. Benefits of risk management

The following are the personal and organisational benefits to effective risk management and all risk management policies, procedures and systems will be designed to support these benefits.

Benefit	Advantage
Better for patients and residents	It helps to ensure that we plan and deliver the best services we can within the resources available, that we use public money are resources effectively and have good patient outcomes.
Success	It helps you and the organisation to achieve objectives and succeed.
Better decision making	It helps you to make better decisions by helping you to understand the merits, threats and opportunities associated with different courses of action so you can make informed choices.

Better planning and resource allocation	It helps you to plan and prioritise your time, work, resources and energy better. It also helps to reduce volatility, provides more stability, predictability and confidence. This helps you to identify and resolve problems before they become issues.
Supports innovation and new ways of working	It allows you to consciously think about and manage new challenges that may not fit into existing ways of working or establishes processes and procedures.
Provides protection	It protects you and helps to reduce avoidable errors and fraud.
Empowerment	It empowers you in your role, helps you to do your job well and provides confidence in your plans.
Good governance	It supports good governance by decisions being made and seen to be made in an open and transparent way based on sound reasoning. The process is also auditable providing the ICB Board, our regulators and our auditors with confidence and assurance.

C. RISK OWNERSHIP AND KEY ROLES

C1. Risk Owners and Accountability

Each risk will have a designated owner that has accountability for that risk. Each risk will be owned by a Chief Officer and each Chief Officer owns all of the risks within their portfolio. The Risk Owner is responsible for ensuring risks are effectively managed and for ensuring all actions to manage the risk are completed. Officers are able to delegate the day to day oversight and management of risks to members of their team (Action Owners and Risk Champions – see sections C2 and C3) but not the accountability.

C2. Action Owners

The Risk Owner may delegate the day-to-day management of risk mitigations to an appropriate member of their team who can work to resolve any outstanding mitigations. This person is known as the Action Owner. The Action Owner does not hold accountability for the risk, but will be responsible for managing the identified mitigation(s) for the risk.

C3. Risk Champions

The ICB will appoint or nominate staff to be Risk Champions for each of the Chief Officers. The Champions will not hold responsibility or accountability for the risks, but will support their Chief Officer with whom the responsibility and accountability lie. The role of the Risk Champions is to:

- Support Chief Officers in managing the risk management process within their portfolio and assist with risk reporting
- Support the Governance Team in delivering and embedding the ICB's approach to risk management
- Provide a source of expertise and advice to help support and empower staff to manage risks
- Help drive effective risk management
- Help support staff to implement the ICB's risk management policies and procedures
- Assist staff to co-ordinate risk reporting
- Raise awareness throughout the organisation of the role of effective risk management
- Maintain a central folder within each directorate containing the meeting notes/minutes from meetings where risk is discussed outside of the formal governance meetings.

It is recommended that Chief Officers appoint their Risk Champions based on the individuals having a sufficient understanding of risk management and effective knowledge of the areas of work and portfolio of their Chief Officer. The Risk Champions should have confident

communication skills and have the authority and ability to discuss and challenge risks with senior leaders.

C4.   Managers and Staff

The ICB's managers and staff will:
- Work within this policy
- Manage risk within their area of responsibility as appropriate and report these risks to the appropriate Chief Officer (Risk Owner)
- Support the Risk Owner in the management of their risks and writing risk reports
- Ensure the teams and staff under their control manage risk effectively and follow this policy
- Ensure they and their teams receive risk management training as necessary
- Work with the Governance Team and help ensure timely and smooth production of risk reports, the NEL ICB Corporate Risk Register and the Board Assurance Framework
- Highlight any problems or concerns with any risk with the Risk Owner.

C5.   Governance Team

The Governance Team provides:
- Central oversight of the risk management process and system in the ICB and this policy
- Prepare risk reports for the Board/ Committees
- Training for staff and Board members in relation to risk management.

The Governance Team is not accountable or responsible for the actual management of the risks which sits with Risk Owners and Risk Champions.

C6.   Role of the Board and Committees

The NEL ICB Board and its committees will provide oversight and scrutiny of the most serious organisational risks and hold people to account in this regard. In addition, the ICB's Non-Executive Member for Audit and Risk and the Audit and Risk Committee will play a lead role in ensuring effective oversight and scrutiny of the ICB's risk management policies, procedures and systems.

The ICB Board will:
- Provide oversight, review and scrutiny of the organisation's highest-level risks
- Receive regular risk reports
- Hold risk owners to account for their risks
- Review the Board Assurance Framework
- Approve the ICB's Risk Appetite.

The Audit and Risk Committee will:
- Approve the Risk Policy and subsequent revisions
- Provide independent assurance to the Board on the effectiveness of risk management process in the ICB and compliance with risk management policies
- Receive independent reports on the effectiveness of risk management in the ICB
- Challenge the way in which risk is managed where there is uncertainty or concerns over the effectiveness of risk management arrangements
- Formally assess on an annual basis the overall effectiveness of the risk management processes in the ICB and report to the Board
- Review risk management arrangements for the purposes of the Annual Report and the Annual Governance Statement
- Horizon scan and communicate findings for action
- Hold risk owners to account for their risks.

Committees of the ICB Board will:
- Consistently report on whether new risks have been identified to ensure a consistent level of awareness
- Provide scrutiny, review and oversight of key risks (appropriate to the remit of each committee as identified through portfolio registers and the Board Assurance Framework)
- Receive risk reports that outline the key risks the committee is responsible for and detailed mitigations.
- Horizon scan and communicate findings for action
- Hold risk owners to account for their risks.

C7. Executive Management Team

The Executive Management Team comprises of the Chief Executive Officer and the six Chief Officers who will:

- Agree and approve resources for risk management across the ICB
- Provide operational oversight and scrutiny of high-level risks across the ICB
- Ensure staff are effectively managing risks and that the ICB has an effective system of risk management in place
- Ensure staff are acting in accordance with risk management policies
- Have oversight and responsibility for operational risk management issues faced by the organisation
- Prepare a complete, accurate and reliable report on risk management for the purposes of the Annual Governance Statement to ensure it is fair and representative of the organisation's risk management arrangements
- Provide feedback on the risk management processes and policies supporting this strategy to the Governance Team
- Ensure Officers provide risk reports to the Board and its committees as appropriate
- Be held to account by the Chief Executive Officer for effective risk management.

D. RISK MANAGEMENT PROCESS

D1. Identifying a risk

If a risk is identified by any member of staff which could affect the ICB achieving its strategic corporate objectives (see Appendix 3), the staff member should check whether this risk is already covered within the appropriate Chief Officer's portfolio risk register. Copies of the portfolio risk registers should be readily available from the appropriate Chief Officer or their Risk Champion.

D2. Completing the risk register template

Once the risk has been confirmed as a new risk (not already within a portfolio risk register) the staff member should work with the appropriate risk champion to complete the risk register template on file.

Risk description

Writing and defining the risk description is important as it should identify the cause(s) and potential effect(s) of the risk occurring. Determining the cause and effect will then help to identify mitigations and enable accurate scoring. A suggested way of wording a risk is "If X happens due to Y this could result in Z".

<u>Risk scoring</u>
A risk is scored based on two factors; likelihood and impact/ severity which are measured on scales of 1-5.

Once a risk has been measured it needs to be scored as this indicates how serious the risk is, the level of importance and the priority that should be attached to controlling the risk. The risk score is calculated as follows: Impact Score x Likelihood Score = Risk Score.

The risk score is then matched against the matrix in section B9 to understand the level of seriousness, importance and the priority the risk should be given.

Determining the impact/ severity of a risk can be quite subjective as staff will have varying views as to how significant the risk is. In order to create a standardised way of determining the impact score, appendix 1 outlines some examples of what would constitute of a score of 1-5 across different areas of work. Due to the subjectivity of risk, the ICB encourages individuals to challenge the risk score. This can be through, but not limited to, Board/ Committee/ Sub-committee meetings, team meetings, Risk Champion fora, peer-to-peer reviews.

As different mitigations for the risk are identified and implemented, this should reduce the likelihood score over time.

A realistic and achievable target risk score and date should be agreed with the relevant risk champion and Chief Officer. Timelines to achieving the target dates and scores should be reviewed regularly to ensure that momentum is maintained when managing the risk. It is acceptable to have a longer-term target date if the mitigations in place can demonstrate that shorter-term actions are being established to address the risk.

<u>Mitigations and assurances.</u>
Mitigations can be actions, plans or processes that are in place, or due to commence, that can assist in preventing the risk from becoming an issue. Chief Officers and their Champions should meet regularly with their teams to identify and review mitigations. The review should include whether the action is completed or when it is due to be completed, and how instrumental this is in reducing the likelihood of the risk occurring. Assurances should also be listed on the register and can include oversight at various fora and third party assurances.

D3. Escalation
On a bi-monthly basis, the governance team will contact the risk champions to receive an update on their risk registers. Depending on the scores of each risk, they may require escalation so that the executive leadership team/ audit and risk committee/ ICB Board have sight of the key risks to ICB business.

If the risk is scored 12 or higher, it will need to be included on the ICB corporate risk register (CRR) which will be shared on a regular basis with the audit and risk committee and executive management team.

If the risk is scored 15 or higher, it will need to be included on the CRR and considered for inclusion on the Board Assurance Framework (BAF). The NEL ICB executive leadership team will review the risks scored 15+ and decide whether they are to be included in the BAF. The BAF template is different from the risk registers in order to make the information digestible to a wider audience (including members of the public). The governance team will extract the data from the risk register and populate into the BAF, but they will require additional information (such as assurances) which will need to be provided by the appropriate Risk Champion.

There will be some risks which do not reach the above thresholds but need to be included on

the BAF. These tend to be risks which have a high NHSE and public interest (such as mental health standards) but will be decided by the appropriate Chief Officer and Executive Management Team.

D4.   Risk review

Risks on the Chief Officers' portfolio risk registers should be reviewed and updated on a bi-monthly basis as a minimum. The review should include checking whether mitigations have been completed, if there are any new actions that need to be taken and whether these have impacted on the risk score. The review should also consider whether the risk remains relevant; i.e. if a project has concluded then is the risk to that project still appropriate, or has the risk materialised into an issue in which case this should be removed from the register. The review should also be an opportunity to identify any new or emerging risks to the department. Timelines to achieving the target dates and scores should be reviewed regularly to ensure that momentum is maintained when managing the risk. It is acceptable to have a longer-term target date if the mitigations in place can demonstrate that shorter-term actions are being established to address the risk.

To ensure effective risk management, it is important each Chief Officer's team has a supportive risk management culture. Staff should regularly discuss their key risks and share knowledge, perspectives, skills and learning. Risk discussions should be structured and be of sufficient frequency that the Risk Owner is genuinely assured that all risks are being effectively overseen and managed at the right time, by the right people, in the right way and at the right level. As a result of these discussions risk registers should be updated in a timely manner. It is good practice for Chief Officers to shape their meeting agendas based on the risks within their register; meaning that the areas of concern are receiving attention.

The Governance Team will contact the Risk Champions on a bi-monthly basis to receive updates in order to prepare risk reports for the ICB Board and its committees. The Risk Champions will meet together on a regular basis to review all Chief Officer portfolio registers to identify any areas where there are risks that could affect other Chief Officer departments. This will ensure that sufficient oversight is maintained and enable effective identification of mitigations.
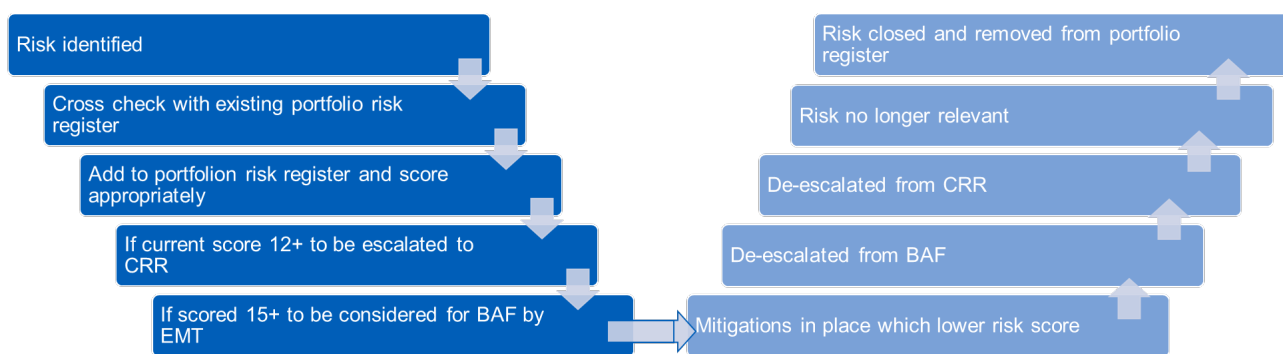
D5.   De-escalation

When the risk score drops below the thresholds mentioned in section D3, they can be de-escalated from the CRR and considered for removing from the BAF. Risks removed from the BAF will be reported within that month's report to the Board so that members can be assured that it has not been omitted in error. De-escalated scores will be determined by the Chief Officer and their risk champion.

D6.   Closing a risk

When a risk is no longer relevant and has ceased to be a risk to the organisation, it can be closed and removed from the risk register. The closing of a risk should be approved by the appropriate Chief Officer and actioned by the Risk Champion. Consideration should be given as to whether any new risks have arisen as a result of one being closed; if so, the process should start again from section D1.

D7.   Risk process summary flow chart

Risk identified		Risk closed and removed from portfolio register
Cross check with existing portfolio risk register		Risk no longer relevant
Add to portfolion risk register and score appropriately		De-escalated from CRR
If current score 12+ to be escalated to CRR		De-escalated from BAF
If scored 15+ to be considered for BAF by EMT		Mitigations in place which lower risk score

E   RISK REGISTERS AND RISK OVERSIGHT

E1.   Chief Officer Portfolio Risk Registers

Named Chief Officers shall have a Portfolio Risk Register, which contains all of the key risks within their portfolio of responsibilities. Risks with a current risk score of 12 and above will be included in the NEL ICB Corporate Risk Register. The Portfolio Risk Registers shall use the same template as the NEL ICB Corporate Risk Register. The risks from the Portfolio Risk Registers with a current risk score of 12 and above will be sent to the Governance Team for inclusion on the NEL Corporate Risk Register as per local agreement. The six portfolio risk registers and the responsible Chief Officer are:

- Finance and Performance – Chief Finance and Performance Officer
- Nursing – Chief Nursing Officer
- Medical – Chief Medical Officer
- Strategy and Transformation – Chief Strategy and Transformation Officer
- Participation and Place – Chief Participation and Place Officer
- People and Culture – Chief People and Culture Officer

E2.   Committee Risk Registers

In accordance with the Committees' Terms of Reference, Committees of the ICB Board have a responsibility to receive regular reports on new and emerging risks and monitor the risks on the committee's risk register.

Committee risk registers will pertain to the responsibilities of the committee as detailed in their terms of reference and will have a focus on key strategic risks scored 12 or above, and will therefore also be included on the Corporate Risk Register. The Senior Responsible Officer (SRO) of the committee will hold responsibility for updating the register in accordance with this policy. The SROs for each committee of the ICB Board is listed below:

Committee	Senior Responsible Officer
Quality, Safety and Improvement Committee	Chief Nursing Officer
Finance, Performance and Investment Committee	Chief Finance and Performance Officer
Population Health and Integration Committee	Chief Participation and Place Officer
Remuneration Committee	Chief People and Culture Officer
People and Culture Committee	Chief People and Culture Officer
Executive Committee	Chief Executive Officer

* The Audit and Risk Committee will not have a committee risk register as it holds responsibility for risk management as a whole.

Committee risk registers are designed to sit alongside the Chief Officer portfolio risk registers and different committees can have oversight of the same risk, although there should be just one risk owner. For example, there could be a financial risk to the ICB which is owned by the

Chief Finance and Performance Officer and reviewed by the Finance, Performance and Investment Committee; however, this same risk can also be reviewed at the Quality, Safety and Improvement Committee (of which the Chief Nursing Officer is the SRO) as there could be quality implications that committee should consider.

All committee risks should also be included in the appropriate Chief Officer portfolio risk register to ensure the process detailed in section D is followed.

Committee risks will be included in the Corporate Risk Register, which can be filtered by risk champions to demonstrate which committee(s) have oversight of the risk.

The ICB recommends that partner members of the committee provide feedback on risks to their respective organisations and inform the committee of any appropriate risks that may be held on their corporate risk register (or equivalent). This will help to identify any cross-cutting themes and support system working.

E3. Place-based Partnership Sub-committee Risk Registers

Place-based Partnerships will hold separate risk registers for their programmes of work. These risks are owned by the Chief Participation and Place Officer. The risk owner can delegate the role of Action Owner to an external partner member of the sub-committee; however, accountability will remain with the ICB Chief Officer.

The Place-based Partnerships' risks should be localised. Any risks that are applicable across the NEL footprint should be held on the Chief Officer's Portfolio Risk Register and not that of the Partnerships. Any place-based risks that are escalated to the CRR from the Portfolio Risk Register should be reviewed by the Chief Officer and their Risk Champion in order to ensure the risk accurately captures the severity at a NEL-wide level. Whilst some risks may be deemed high at a place-level, they may not be as high in a NEL-wide context. The partnerships may appoint an action owner from the Integrated Care System ie NHS Trust or Local Authority Officer to manage a risk through their wider partnership. The partnerships may request an update report on NEL-wide strategic risks by contacting the ICB's Governance Team.

The ICB recommends that partner members of the sub-committee provide feedback on risks to their respective organisations and inform the sub-committee of any appropriate risks that may be held on their corporate risk register (or equivalent). This will help to identify any cross-cutting themes and support system working.

E4. Provider Collaborative Sub-Committee Risk Registers

Provider Collaborative Sub-Committee risks should be specific to their programmes of work. Any risks that are applicable across the health and care sector or are strategic should be held on the appropriate Chief Officer's Portfolio Risk Register and not that of the Collaboratives'. The Collaboratives may request an update report on NEL-wide strategic risks by contacting the ICB's Governance Team.

If the relevant Chief Officer believes the risk should be included in the ICB CRR or BAF, they should first include it on their Portfolio Risk Register and follow the process as outlined in section D of this policy.

The ICB recommends that partner members of the sub-committee provide feedback on risks to their respective organisations and inform the sub-committee of any appropriate risks that may be held on their corporate risk register (or equivalent). This will help to identify any cross-cutting themes and support system working.

E5. NEL ICB Corporate Risk Register

The ICB will have a Corporate Risk Register (CRR). The CRR will contain all of the ICB's key

risks with a current risk score of 12 or higher assessed against the ICB's strategic objectives. There will be occasions where a risk is escalated for continued oversight on a case by case basis, particularly for risks that are subject to scrutiny from regulators and/ or are of public interest.

E6. Board Assurance Framework

The ICB will have a Board Assurance Framework (BAF). The BAF will be comprised of the ICB's key strategic and system level risks, aligned with the corporate objectives, and include those risks with a current score of 15 and above from the CRR or those which are subject to scrutiny from regulators and/or are of public interest.

E7. Risk Oversight

The Portfolio Risk Registers will be reviewed by the appropriate Chief Officer, their Risk Champion and a member of the Governance Team on a bi-monthly basis or as otherwise required. Risks with a current risk score of 12 and above will be included in the CRR. Some risks will also be escalated if they are subject to scrutiny from regulators and/ or are of public interest.

The CRR will be included as an item for thorough discussion at Executive Management Team meetings and will be presented for operational scrutiny, review and oversight at least bi-monthly. The Executive Management Team may re-grade, add amend or close risks at its absolute discretion.

The Executive Management Team will assess and decide if any CRR risks should be presented to the appropriate Board/ Committee for scrutiny, review, oversight and be considered for escalation to the BAF, at each committee meeting or as otherwise agreed.

Risks with a current risk score of 15 or higher from the CRR will be presented to the ICB Board for scrutiny, review and oversight at each Board meeting or as otherwise agreed by the Board. This ensures that the Board can concentrate its focus and attention on the most serious risks.

There will be a small number of risks on the CRR which are purely operational, or it is clear that mitigation can only happen at a local level, and may reach the threshold for escalation to committees but do not reach the threshold for the BAF. These risks may, on a case by case basis and at the discretion of the Risk Owner(s), be presented to the Executive Leadership Team for scrutiny, review and oversight only and will not be presented to a Board/ committee. In most instances, it will be clear whether a risk is purely operational whereas at times it will be a matter of judgment.

Committee and sub-committee risk registers will be reviewed by the appropriate SRO on a regular basis and reported to the committee/ sub-committee in accordance with their terms of reference and workplan.

E8. Inclusion and Removal of Risks from the CRR and BAF

Risks may be added to or removed from the CRR or the BAF by Chief Officers, Board members, the Governance Team, the ICB Board and/or any committee of the ICB Board.

Risks assessed with a current risk score of 12 or higher will be included on the CRR. Risks with a current risk score of 15 or higher from the CRR will be considered for inclusion on the BAF.

Risks may be removed from the CRR and/or the BAF under the following circumstances:
- The risk is no longer relevant

- The risk has been effectively mitigated
- The risk no longer reaches the relevant threshold
- The risk has materialised and is an issue.

Where a risk has dropped below the relevant thresholds the respective Board or any of its committees may decide that the risk needs to stay on the CRR or the BAF for continued oversight on a case by case basis and at its absolute discretion, particularly for risks that are subject to scrutiny from regulators and/ or are of public interest. Risks that have dropped below the threshold will be reported at the following Board and/or committee meeting for information.

E9. Project and programme risks

Risks at a project and programme level are overseen and managed within directorates as per the management structure. It is at the discretion of each Chief Officer as to how this is done in their departments but should be undertaken in a manner which provides assurance to the Chief Officer that the risks are being appropriately managed and overseen at the right level. Senior leaders may seek input from the Executive Management Team if required.

Examples of projects and programmes that should follow this process include, but are not limited to, transformation and improvement work, Emergency Preparedness, Resilience and Response (EPRR), business continuity, and the setup of new IT systems.

Projects tend to have a high number of lower level risks that are being dealt with at any one time which result in lengthy risk registers.

All project risks continue to be owned by the appropriate Chief Officer. However, when any of these risks become a key risk to the Chief Officer and impact on the organisation's corporate objectives, they will be shown as full entries on the Portfolio Risk Register.

An example of how project and programme risks can be managed is outlined below:
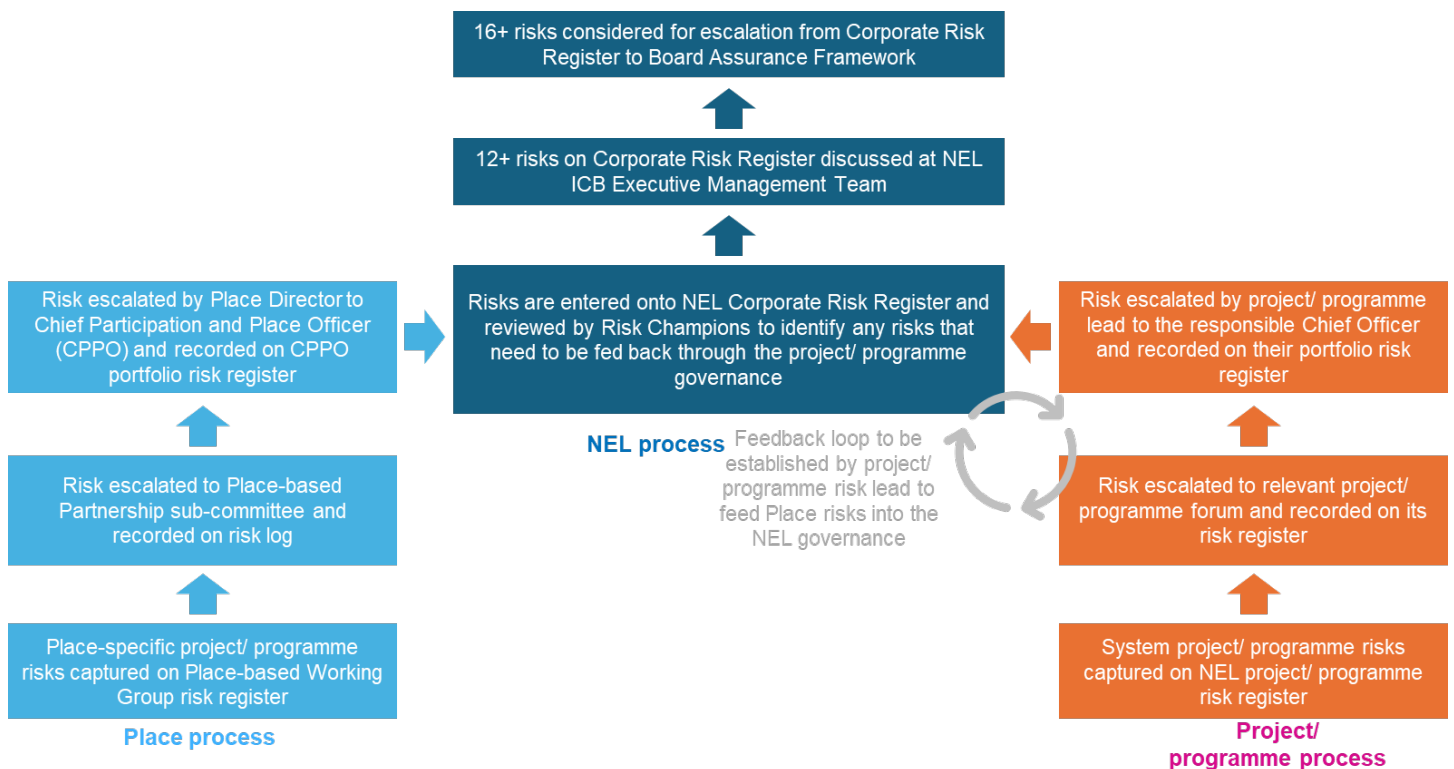
F. CONCLUSION

The effective implementation of this risk management policy and strategy will be crucial to the resilience of the ICB, by systematically identifying, assessing, and managing risks to ensure the safety, quality, and sustainability of services for North East London communities. It is the collective responsibility of all staff and office holders to adhere to the guidance outlined in this policy, fostering a culture of proactive risk management. The implementation of the policy will ensure a robust response to emerging risks and challenges and will support the ICB and ICS to delivery its priorities and commitment to work with and for all the people of north east London to create meaningful improvements in health, wellbeing and equity.

Appendix 1 Impact scoring

	Rating	Description	Areas possibly impacted							
			A Objectives/ projects	B Harm/injury to patients, staff visitors & others	C Actual/potential complaints & claims	D Service disruption	E Staffing & competence	F Financial	G Inspection/ Audit	H Adverse media
Impact	1	Insignificant	Insignificant cost increase/time slippage. Barely noticeable reduction in scope or quality	Incident was prevented or incident occurred and there was no harm	Locally resolved complaint	Loss/ interruption more than 1 hour	Short term low staffing leading to reduction in quality (less than 1 day)	Small loss <£1000	Minor recommendations	Rumours
	2	Minor	Less than 5% cost or time increase. Minor reduction in quality or scope	Individual(s) required first aid. Staff needed <3 days off work or normal duties	Justified complaint peripheral to clinical care	Loss of one whole working day	On-going low staffing levels reducing service quality	Loss of 0.1% budget. <£10,000	Recommendations given. Non-compliance with standards	Local media column
	3	Moderate	5-10% cost or time increase. Moderate reduction in scope or quality	Individual(s) require moderate increase in care. Staff needed >3 days off work or normal duties	Below excess claim. Justified complaint involving inappropriate care	Loss of more than one working day	Late delivery of key objectives/service due to lack of staff. On-going unsafe staff levels. Small error owing to insufficient training	Loss of more than 0.25% of budget. <£100,000	Reduced rating. Challenging recommendations. Non-compliance with standards	Local media front page story
	4	Major	10-25% cost or time increase. Failure to meet secondary objectives	Individual(s) appear to have suffered permanent harm. Staff have sustained a "major injury" as defined by the HSE	Claim above excess level. Multiple justified complaints	Loss of more than one working week	Uncertain delivery of services due to lack of staff. Large error owing to insufficient training	Loss of more than 0.5% of budget. <£500,000	Enforcement action. Low rating. Critical report. Major non-compliance with core standards	Local media short term
	5	Severe	>25% cost or time increase. Failure to meet primary objective	Individual(s) died as a result of the incident	Multiple claims or single major claims	Permanent loss of premises or facility	No delivery of service. Critical error owing to insufficient training	Loss of more than 1% of budget. >£500,000	Prosecution. Zero rating. Severely critical report.	National media more than 3 days. MP concern

Appendix 2 Risk Appetite

The ICB recognises that its long-term sustainability depends upon the delivery of its strategic and corporate objectives and its relationships with its residents, staff, and partners. It further recognises that in order to enable this delivery, it needs to hold a level of mitigatable risk across a range of areas. Notwithstanding this, the ICB has agreed that it will not tolerate risks that materially provide a negative impact on quality or safety of patient care. It has reached a position that it does have a greater appetite to take considered risks in terms of their impact on organisational issues and has the most open appetite for risk in relation to pursuing commercial gain, partnerships, clinical innovation, financial value for money and reputational risk. This means in these areas that the ICB is more willing to take opportunities and therefore risks where positive gains can be anticipated, within the constraints of the regulatory environment.

The ICB recognises that its long-term sustainability depends upon the delivery of its strategic objectives and its relationships with its residents, staff, and partners. The ICB Board has developed and agreed the principles of risk that the ICB is prepared to accept, deal and tolerate whilst in pursuit of its objectives.

The ICB Board has a broadly cautious to open approach to risk but actively encourages well-managed and defined risk management, in alignment with its risk policy, acknowledging that service development, innovation and improvements in quality require a level of risk taking.

Our lowest risk appetite relates to regulatory compliance but we have greater risk appetite for innovation, commercial and partnership strategies. This means that we will ensure we prioritise the minimisation of risks relating to our legal obligations whilst seeking opportunities to develop and enhance the quality and efficiency of our service delivery.

The following principles further outline the Board's appetite for risk:

Appetite level	Description	Comments
None	Avoid risk	A requirement to avoid risk and uncertainty to deliver an agreed organisational objective
Low	Accept minimal risk	A preference for very safe delivery options that have a low degree of inherent risk
Moderate	Act cautiously in terms of risk focusing on safety	A preference for safe delivery options that have a low degree of inherent risk and an acceptance that these may only have limited potential for improvement or value for money gains
High	Be open to balancing risks	A willingness to consider all potential delivery options and select those which balance acceptable levels of risk with an acceptable level of reward in terms of improvement or value for money gains
Significant	Seek opportunities and tolerate risks	There is a preference to be innovative and to choose options potentially seeking higher rewards despite greater inherent risk. This would partly be because there was confidence of assurance that controls, forward scanning and responsive systems are robust,

The following table outlines the ICB's risk appetite statements and an indicative risk rating range based on the scoring matrix outlined in section B9.

Risk category	Specific risk appetite statement	Risk Appetite level based on GGI matrix	Indicative risk rating range for risk appetite
Quality (patient safety, experience and clinical outcomes)	The Board is committed to outstanding and consistent care, delivering the right care, at the right time, in the right place and compliance with all legislative and CQC requirements and will adopt a cautious approach to risks that threaten this aim, ensuring benefits are justifiable and the potential for mitigating actions are strong.	Minimal	3 - 8
Finance	The Board has a cautious risk appetite for risk that may affect our aim to be financially sustainable and governed to the highest possible standards.However, we have an open risk appetite to investing or allocating resources that may capitalise on opportunities for generating longer term return.	Cautious / Open	3 - 10
Operational performance	The Board is committed to maintaining and improving performance against core standards and will adopt a cautious approach to risks that may adversely affect this aim.	Cautious	3 - 8
Strategic change and innovation	The Board has a high risk appetite for strategic change, innovation, partnerships and commercial ventures that will develop our clinical and operational service delivery.	Open / Seeking	6 - 15
Regulation and compliance	The Board has a minimal to cautious risk appetite when it comes to compliance and regulatory issues (including financial obligations). The Board will make every effort to meet statutory regulations and standards unless there is compelling evidence or argument to challenge them.	Minimal	3- 8

Workforce	The Board has a cautious approach to risks that may affect our commitment to value, develop, involve and empower our staff.	Cautious	3 - 8
Cyber Security	The Board has a cautious approach to threats to residents' data, cyber security and business continuity.	Minimal	3 - 8
Reputational	The Board has a cautious to open approach for risks that may affect the ICB's reputation. On occasions we may be accept risks where there are potential benefits to delivering our quality priorities.	Cautious / Open	3 - 10

Precedence of Risk Appetite Scores

For the avoidance of doubt where two risk appetite scores conflict with each other the lowest risk appetite score takes precedence. For example, the ICB may be working on a new and innovative service and so work within the risk appetite level of 6 for Strategic Change and Innovation. However, while doing so the ICB will work within the risk appetite levels of 3 for Quality.

Appendix 3 Corporate objectives for 2024/25

Building on the previous year and in line with current priorities we are proposing a refreshed set of objectives as follows

1. **Working together as a system at all levels to deliver meaningful improvements in health, wellbeing and equity for our local population through:**
   - A continued focus on strengthening community based care, and greater integration through effective primary care and effective place-based working.
   - Achieving against our resident success measures.
   - Strong and effective clinical and care professional leadership and wider system development.

2. **Make further improvements in addressing health inequalities for our local populations across North East London by:**
   - Developing a whole system framework for and approach to population health management
   - Implementing the programmes within our health equity academy.
   - Using data and digital tools effectively to support prevention and identify and tackle health inequalities.

3. **Further develop and embed an approach to being an anti-racist ICS by**:
   - Building on our system work in 2023 finalise and implement a robust action plan to include anti-racism training and establishing key networks to deliver on this. commitment. To help close the health equity gaps across North East London and normalise race equality into being part of how our health and care system operates.

4. **Develop and enhance our workforce across north east London and create meaningful work opportunities and employment for people in NEL now and in the future through:**
   - Implementation of the system wide people and culture strategy. Following the development and sign off on the overall strategy in early 2024 the next stage is to put in place a robust action plan with a clear set of outcomes for this year, ensuring we begin the process of delivering the strategy across our system.
   - Embedding the right culture for our workforce in NHS North East London - ensuring staff have a positive experience and are supported and able to deliver meaningful improvements in health and wellbeing for our local population.

5. **Financial sustainability – deliver better health and wellbeing to our population in a financially sustainable way through:**
   - Ensuring that we spend our resources in way that focuses them in the areas which keep our population healthier for longer.
   - Tackling underlying system deficits and moving towards balanced budgets
   - A system wide programme of work to improve productivity
   - Making a case for more investment overall in NEL

Appendix 4 Equality Impact Assessment

Equality Impact Assessment

Title of the change proposal or policy:

Risk Management Policy and Strategy

Brief description of the proposal:

This Policy sets out the ICB's detailed risk management arrangements and the process by which risks are managed.

Name and role of staff completing this assessment:
Date of Assessment:

Katie McDonald, Governance Manager

Please answer the following questions in relation to the proposed change:
Will it affect employees, customers, and/or the public? Please state which.

All staff, Board/committee members and anyone including external partners working closely with the ICB assisting it in carrying out its role.

Is it a major change affecting how a service or policy is delivered or accessed?

No.

Will it have an effect on how other organisations operate in terms of equality?

No.

If you conclude that there will not be a detrimental impact on any equality group, caused by the proposed change, please state how you have reached that conclusion:

There is no anticipated detrimental impact on any equality group. There are no statements, conditions or requirements that disadvantage any particular group of people with a protected characteristic.