



# NHS Gloucestershire Integrated Care Board

## Risk Management Arrangements

v1.0  
1<sup>st</sup> July 2022

## 1. Introduction

- 1.1. The Risk Management Framework sets out the approach and arrangements for risk management within NHS Gloucestershire Integrated Care Board (ICB).
- 1.2. It sets out the ICB's approach to risk and the management of risk in fulfilment of its strategic objectives. The ICB is committed to services across One Gloucestershire being of high quality, safe and promote the health and wellbeing of service users, their relatives and carers, staff and other stakeholders. The ICB ensures that there is a consistent approach to risk management systems and processes that supports continuous quality improvement and safer patient care. The management of risk is a key organisational responsibility; it is in integral part of the organisation's governance arrangements and internal controls.
- 1.3. Gloucestershire NHS ICB is committed to implementing the principles of good governance defined as: ***The system by which the organisation is directed and controlled to achieve its objectives and meet the necessary standards in accountability, probity and openness.***
- 1.4. The ICB recognises that the principles of governance must be supported by an effective risk management system which is embedded throughout the organisation and is integral to its business processes and procedures. The principles of risk management apply to all staff and in all areas of the ICB regardless of the type of risk. The Board is ultimately responsible for ensuring that an effective risk aware culture is in place and that risk is effectively managed, recorded and reported. The process of risk escalation through the committees and Board is an essential mechanism to ensuring that senior managers and executives as well as Board members are aware of emerging risks and that prompt action is taken to mitigate them.
- 1.5. As part of this strategy it is also acknowledged that not all risks can be eliminated. Ultimately it is for the organisation to decide which risks it is prepared to accept based on the knowledge that an effective risk assessment has been carried out and the risk has been reduced to an acceptable level as a consequence of effective controls.
- 1.6. At its simplest, risk management is good management practice, the early identification and assessment of risk at directorate level provide an effective management technique for managing the organisation's operational risks which will have an effect on system wide strategic risks. Strategic and business risks are not necessarily to be avoided, but, where relevant can be

embraced and explored so that new and innovative schemes and projects can develop, such as those related to the Integrated Care System (ICS) transformational programmes. Considered risk is to be encouraged, together with experimentation and innovation but within authorised limits aligned to the ICB's risk appetite. The priority is to reduce and eliminate, where possible, those risks that impact on patient safety, and reduce our financial, operational and reputational risks to tolerable levels.

## 2. Aim

The aim of this strategy is to set out the ICB's vision and approach to managing risk across the organisation.

## 3. Vision

3.1. NHS Gloucestershire Integrated Care Board (ICB) vision is:

***To improve health and wellbeing of our population, we believe that by all working better together - in a more joined up way, and using the strengths of individuals, carers and local communities - we will transform the quality of support and care we provide to all local people.***

3.2. The ICB's vision is that risk management is embedded in all business activities and processes of the organisation, ensuring that a risk aware culture is embraced throughout the ICB. This will be achieved through early identification, assessment, mitigation, reporting and monitoring of risk as well as sufficient resources made available to effectively manage risk to a tolerable level. As well as comprehensive and consistent risk management training to all staff within the ICB. Effective risk management is a key priority of the Board.

3.3. The purpose of Risk Management in the ICB is to:

3.3.1. Reduce the level of exposure to harm for patients, staff and stakeholders by proactively identifying, assessing, monitoring, prioritising and managing risks that threaten the delivery of the ICB's strategic and operational objectives.

3.3.2. Protect all that is of value to the ICB, by minimising and reducing risks that impact on the quality of patient care, seek to maintain high standards of patient safety, safe working environment, financial propriety, stakeholders relationships and organisational reputation.

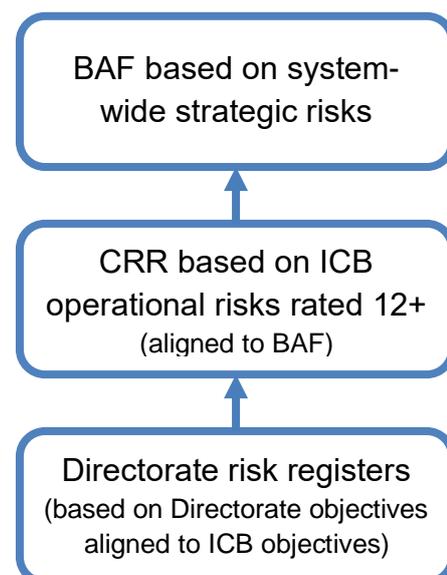
- 3.3.3. Effectively manage new and emerging risks associated with the development of new technologies and transformational programmes allowing innovation and business opportunities to flourish within defined boundaries and management authority (see risk appetite).
- 3.3.4. Ensure that the ICB adheres to regulatory compliance, acts lawfully and operates in an open and transparent way; identifying and reporting risks at Board and committee level.

#### **4. This risk management framework**

- 4.1. The risk management framework applies to all staff members of the ICB, the Board, committees, ICB Operational Executive, ICS Strategic Executive and all managers as well as those staff who are contracted to provide services to the ICB such as the Commissioning Support Unit and individual employees.
- 4.2. The ICB's Risk management framework ensures that:
- All risks are identified, assessed, risk mitigated and monitored that have a potential adverse impact on the quality and safety of services that the ICB commissions from providers;
  - All risks that relate to operational performance, financial stability and effectiveness and reputation are identified, assessed, reported, risk mitigated and monitored.
  - Risks to the achievement of the ICB's operational and strategic objectives are anticipated and proactively identified.
  - Effective controls are put in place, that they are well designed and applicable to mitigate the risk.
  - Gaps in controls and assurances are identified and effectively managed.
  - Assurances of the controls are reviewed and acted upon.
  - Staff continuously learn and adapt to improve safety, quality and performance.
  - Staff are trained in risk management and risk systems and processes.
  - There is clarity of the roles and responsibilities of ICB staff in relation to risk management.
  - Risk management systems and processes are embedded across the directorates.
  - Risks are escalated to management and through the governance structure via the committees and through to the Board.

### 4.3. The ICB's approach to risk management

- 4.3.1. The Board of the ICB will work to identify and codify its approach to risk management and appetite. During the inception of the statutory ICB, the Board will use its development sessions to identify system wide risks that relate to its strategic objectives as outlined in the Long Term Plan and refreshed annually via the Operational Plan. These strategic risks will form the basis of ICB Board Assurance Framework (BAF) which will be cross-referenced with the BAF of key system partners. The BAF will be reported to the ICB at every other meeting of the Board (see Appendix 1)
- 4.3.2. The Corporate Risk Register (CRR) contains those operational risks related to the delivery of operational objectives and priorities of the ICB. Risks that are rated 12 and above on Directorate risk registers will comprise the CRR. The CRR and BAF will be reported to the Audit Committee at every other meeting of the committee.
- 4.3.3. Directorates will continue to maintain directorate risk registers identifying those risks associated with the delivery of that directorate's objectives which will be linked to ICBs key priorities and objectives and cross referenced to the strategic objectives where appropriate. Directorate risk registers will be reported to their directorate team meetings at regular intervals to engage managers and staff.
- 4.3.4. The CRR will be reported to the ICB Operational Executive on a bi-monthly basis ensuring that the CRR is reviewed by the ICB executive as a whole prior to submission to the Audit Committee.
- 4.3.5. The BAF will be reported to the ICS Strategic Executive comprising system partners to ensure that the BAF is reviewed by senior ICS partners prior to submission to the Audit Committee and the Board.
- 4.3.6. During the transition phase from CCG to ICB directorates risk leads will be asked to re-appraise and update their directorate risk registers to ensure that only contemporary risks will transfer to the ICB.



## 5. Risk Appetite

- 5.1. Risk appetite is defined as '*The amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time*' (**HMT Orange Book definition 2004**). It is influenced by a broad range of factors including, the organisation' culture and history, current internal or external events.
- 5.2. The ICB has statutory and regulatory obligations to ensure that systems of control are in place to minimise all types of risk to the organisation and the individuals to whom it owes a duty of care. However, it is acknowledged that the commissioning and delivery of health and care services is not without risk especially in some more innovative areas of service redesign. An element of risk is vital in order to explore opportunities and new ways of working. The foundation of the Integrated Care System (ICS) across Gloucestershire has allowed greater opportunities to work collaboratively on service redesign and reconfiguration across organisational boundaries, develop new patient pathways and work in a 'place' based way. This has meant that ICS partners have had to work to identify new and emerging risks that affect partners including mechanisms for mitigating those risks as a collective.
- 5.3. Developing new and exploratory schemes and programmes can entail a greater degree of risk to the way in which staff work, the amount of resources needed and the operational design of services. Therefore staff, managers and executives need greater clarity on the level of risk that will be tolerated by the ICB and the risk boundaries in which they work.

## 6. The ICB's approach to risk appetite

- 6.1. We need to know about risk appetite because:
  - 6.1.1. If we do not know what the ICB's collective appetite for risk is and the reasons for it, then this may lead to erratic or inopportune risk taking, exposing the organisation to a risk it cannot tolerate; or an overly cautious approach which may stifle growth, innovation and development;
  - 6.1.2. If our leaders, Board members, executives and managers do not know the levels of risk that are legitimate for them to take, or do not take important opportunities when they arise, then service improvements may be compromised and patient and user outcomes affected.
- 6.2. Gloucestershire ICB will review its appetite for and attitude to risk, including setting risk tolerances for different business areas of the organisation during

the initial months of operating as an ICB. It is intended that the Board Development sessions should be used to develop the Board's approach to risk appetite and management with the help of the ICB's internal auditors.

6.3. The organisation's risk appetite will seek to address:

- The nature of the risks to be assumed;
- The amount of risk to be taken;
- The desired balance of risk versus reward.

6.4. Once the ICB's risk appetite is agreed, then risk will be managed within the risk appetite tolerances identified and within the delegated authority boundaries as set out by the ICB. Where these boundaries are exceeded prompt action will be taken to manage the risks to tolerable levels and the risk escalation procedures will be followed.

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**Risk appetite coding (aligned to 4Risk system)**

Risk Appetite	Colour code	Types of risk to be included once agreed by the Board
Zero risk appetite		
Low risk appetite		
Medium risk appetite		
High risk appetite		

## Appendix 1: 2022-23 Strategic Priorities

### Our 2022/23 Priorities for Gloucestershire

The One Gloucestershire priorities are shown below and will be delivered through our priority programmes and the activities that we will deliver as partners across Gloucestershire in 2022/23. These priorities reflect what we need to do today to improve services for our patients and service users whilst continuing to work on what we will do for residents and citizens of Gloucestershire in the longer-term.

#### Improving health and care for our service users and patients today:

- Support improvements in **urgent and emergency care** – ensuring a range of options are available to those who need it.
- Improve access to care, recovering from the last two years. This includes **work to recover elective care**, reducing long waits whilst ensuring that those waiting are given advice and support to manage their conditions.
- Expand and improve **mental health support for people of all ages** as well as for **people with learning disabilities and autism** so they have the support needed.
- Work together to **address the financial challenge** we have across the system to narrow the financial gap and deliver efficiencies.

#### Making Gloucestershire a better place for residents in the future:

- **Across all priorities tackle health inequalities** across our populations drawing on data and population health approaches.
- **Improve population health through locality based working**, placing a greater focus on personal responsibility, wellbeing and prevention.
- Continue changes in **out of hospital services that enable care to be delivered closer to home**. Our Clinical Programme Approach and the work within Primary Care Networks are key to making this happen.
- **Improve integrated care across the life course** – increasing our focus on the needs of Children and Families and supporting people to age well

#### Transforming what we do to deliver this longer-term change:

- Bring together specialist resource across the county to deliver new models of care through **Fit for the Future**
- Ensure that we have in place the enablers to deliver on the above priorities. This includes delivering our **workforce programme** to attract new people into Gloucestershire to work across health and social care whilst supporting those existing staff as well as ensuring that we seize the opportunities presented by **data and digital technologies**.
- Successfully **transition to an Integrated Care System**, develop our five year strategy and embed new ways of working across the Gloucestershire (ICS) enabling further collaborative working across all partners and with local people and communities.