

Frimley Integrated Care Board's Risk Management Framework, Strategy and Policy

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1 July 2022	1	ICB board
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Equality Statement

Frimley Integrated Care Board (ICB) aims to design and implement services, policies and measures that meet the diverse needs of our service, population, and workforce, ensuring that none are placed at a disadvantage over others.

Throughout the development of the policies and processes cited in this document, the ICB has:

- Given due regard to the need to eliminate discrimination, harassment, and victimisation, to advance equality of opportunity, and to foster good relations between people who have shared a relevant protected characteristic (as cited under the Equality Act 2010) and those who do not share it.
- Given regard to the need to reduce inequalities between patients in access to, and outcomes from, healthcare services and in securing that services are provided in an integrated way where this might reduce health inequalities.

Members of staff, volunteers or members of the public may request assistance with this policy if they have needs. If the member of staff has language difficulties and difficulty in understanding this policy, the use of an interpreter will be considered.

The ICB embraces the four staff pledges in the NHS Constitution. This policy is consistent with these pledges.

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1. INTRODUCTION

This document sets out the Risk Management Framework, Strategy and Policy for Frimley Integrated Care Board (ICB). It applies to all staff of the ICB, Executive team and all managers to ensure that risk management is a fundamental part of the ICB's approach to governing the organisation.

'Managing risk is iterative and assists the organisation in setting its strategy, achieving its objectives and making informed decisions.' ISO 31000: 2018

The aim of the framework is to:

- ensure that risks to the achievement of the ICB's objectives are understood and effectively managed.
- ensure that the risks to the quality of services that the organisation commissions from healthcare providers are understood and effectively managed.
- assure the public, patients, staff, and partner organisations, that the ICB is committed to managing risk appropriately; and
- protect the services, staff, reputation, and finances of the ICB through the process of early identification of risk, risk assessment, risk control and elimination.

This applies to all employees and contractors of the ICB. Managers at every level have an objective to ensure that risk management is a fundamental part of the approach to integrated governance. All staff at every level of the organisation are required to recognise that risk management is their personal responsibility.

Independent contractors are responsible for ensuring compliance with relevant legislation and best practice guidelines and for the development and management of their own procedural documents. Independent contractors are required to demonstrate compliance with risk management processes which are compatible with ICB policy.

The ICB uses the guidance provided by ISO 31000:2018¹ (formerly 2009); Good Governance Institute and the NPSA² in developing its approach to risk management and particularly in carrying out risk assessments.

The Framework covers the following elements as shown in the diagram below.

¹ Risk Management Guidelines

² National Patient Safety Agency now part of NHS Improvement

Frimley ICB Risk Management Framework



2. STRATEGY AND APPETITE

Risk Management strategy outlines the vision and objectives of the organisation's risk management system and philosophy. Risk appetite is the amount and type of risk the ICB is willing to undertake to achieve its strategic objectives and is determined by the ICB.

The ICB has a duty to assure itself that the organisation has properly identified the risks it faces, and that it has processes and controls in place to mitigate those risks and the impact they have on the organisation and its stakeholders.

This **strategy** establishes a structure for the effective and systematic management of strategic and operational risks (shown in diagram overleaf). It enables the ICB to have a clear view of the risks affecting each area of their activity, how those risks are being managed, the likelihood of occurrence and their potential impact on the successful achievement of corporate objectives. When embedded throughout the organisation, it will make a real contribution to the achievement of the organisation's corporate objectives.

Risk appetite is defined as the amount of risk that we are willing to seek or accept in the pursuit of long-term objectives.

It is key to achieving effective risk management and is agreed by the Board so that that the nature and extent of significant risks we are willing to take in achieving our strategic objectives is understood. It represents a balance between the potential benefits of transformation, the challenges we face, and the threats change inevitably brings.

The Board will review its risk appetite and risk thresholds set out within the Board Assurance Framework on annual basis or more frequently should the environment we operate in change significantly. The risk appetite sets the threshold for risk against key domains and enables the Board, its Committees and Boards and teams to effectively manage risks.

Risk Appetite Statement:

“NHS Frimley recognises that long term sustainability of health and care services depends upon managing risks in relation to the delivery of our strategic objectives, and that our relationships with communities, staff and all our partners is key to our success. Our approach to our risk appetite is underpinned by the maturity of our system working.

We believe that no risk exists in isolation and that effective risk management is about finding the right balance between risks and opportunities to deliver our ambitions, to act in the best interests of our communities alongside delivering value for money. Our risk appetite approach recognises the need for risk trade-off conversations, creating a flexible framework within which we can drive transformation, make agile decisions and balance boldness and caution, risk and reward and cost and benefit. It also aims to provide a proportionate approach to risk reducing bureaucracy but ensuring appropriate rigour in our risk management.

We recognise that no health and care is risk free and when balancing risk, we will tolerate some more than others. For example: we will have a cautious approach to risks which impact quality (clinical quality, safety and patient experience) which means we prefer safe delivery options and take decisions that aim to mitigate the level of risk. When driving transformation and innovation we will seek options that have bigger rewards but greater risks to get there, using our risk approach to understand and balance the risk with benefits.

Overall NHS Frimley has an open appetite to take well-considered balanced risks to pursue innovation and opportunities where positive gains can be expected, whilst being confident that through good risk management the threats can be averted”.

3. References: Good Governance Institute: Board guidance on risk appetite: 2020; NHSE/I Risk Appetite 2021

The ICB has agreed the following Risk Appetite Descriptions.

Risk Appetite	Description
None	We have no appetite for decisions or actions that will impact in anyway - avoid risk at all costs and all decisions taken to remove the risk.
Minimal	We are only willing to accept the possibility of very limited risk and will avoid any decisions or actions that may result in heightened risk unless absolutely essential.
Cautious	We are prepared to accept the possibility of limited risk. Our preference is for safe delivery options, but we are able to tolerate low level risk and uncertainty. Every decision will be with the aim of mitigating the level of risk.
Open	We are willing to consider all potential delivery options and choose while providing an acceptable level of reward. Take a greater degree of risk and tolerate higher uncertainty to achieve a bigger reward.
Seek	We are eager to be innovative and to choose options offering greater rewards but have greater inherent risk. Eager to take on risk to achieve strategic objectives.
Significant	Confident in setting high levels of risk appetite because controls, forward scanning and responsive systems are robust. Will chose the option with greater reward and will accept any loss as the price for the reward.

3. RISK IDENTIFICATION

Strategic, corporate, and operational risks can be identified by anybody, anywhere and risk identification and management should be an integral part of ICB's everyday activities. Some specific ways of identifying risks include:

- Horizon scanning
- Formal risks assessment exercise (for example health & safety)
- Lessons learnt following an incident or a complaint.
- Discussion at Board / Committee Level
- Completing/reviewing a Project Business Case
- Performance discussions with providers

The achievement of the ICB's objectives ultimately depends on the identification and successful management of risks.

All risks must be linked to one of ICB'S Strategic Objectives set out below:

- **Our People** - we want to help our employees thrive and be healthy both at work and in their personal lives whilst also listening to our work to help us achieve our goals as an organisation. We will take actions that create a culture of inclusivity that values our diverse workforce and encourages everyone to contribute to our vision and values.
- **Improving Outcomes and Reducing Inequalities** – we will work together with our communities and other partner organisations to improve health and care outcomes and experiences for local people resulting in reduced health inequalities.
- **Delivering our work programme focussed on Transformation and Wider Reform** – we will make sure our organisation stays focused on the delivery of our work programme. Our leaders will oversee our progress and work to improve our approach over time. We will also work closely with our partners and places to make sure we are collectively contributing to wider improvements in public services, reform and transformation.
- **Data Insights driven by technology** – we will invest in new technology that can help us provide better care and prevent illness. We will increase the use of data and insights to help us innovate and improve how we provide care and support to our patients and residents.
- **Financial Sustainability** – we will work to make sure our organisation is financially sustainable in the long term. We will manage our finances carefully and make sure we are providing the best possible value to taxpayers.

The 4Risk database contains **risk areas** and **sub-risk areas** which are listed below - they provide staff with categories under which to record the risk. The **risk areas** are designed to assist reporting and give staff a framework to identify risks. The **risk areas** describe which Committee or Board is responsible for the management of a

risk. **Sub risk areas** are aligned with the risk appetite and risk thresholds in the Board Assurance Framework.

Risk Areas – Committees or Boards responsible for the management of risks	Sub Risk Areas – aligned to the Board Assurance Framework
<ul style="list-style-type: none"> ➤ Corporate Risks <ul style="list-style-type: none"> • Finance and Performance Committee • System Quality Committee • Senior Leadership Team ➤ System Boards ➤ Place Boards ➤ POD 	<ul style="list-style-type: none"> ➤ Quality ➤ People ➤ Performance ➤ Transformation ➤ Financial ➤ Regulatory ➤ Reputational

Assessment – original, current and target scores

Risk Management is about the steps you take in a systematic way that will enable you to identify, assess and control risk. This part of the section covers the assessment of risks.

Once a risk is identified, it is important to establish the likelihood of a risk happening and the potential impact if it did occur. This is described as the **original** or **inherent** risk and refers to a score before any action has been taken to mitigate the risk.

Impact Scoring Criteria

To assist the assessment and scoring of risks and ensure consistency in approach – once the **likelihood of occurrence** and the **severity of impact** scores have been established, a total risk score can be determined in line with the scoring matrix in the Risk Management Framework):

Risk Score Matrix

	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
Likelihood					
	Impact				

Low Risk	Medium Risk	High Risk	Significant Risk
1-3	4-8	9-12	15+

Likelihood Score

Likelihood Score		(L)			
Descriptor	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Frequency How often does it/ might it happen	This will probably never happen/ recur	Do not expect it to happen / recur but it is possible it may do so	Might happen or recur occasionally	Will probably happen/ recur but it is not a persistent issue	Will undoubtedly happen/ recur, possibly frequently
Probability Will it happen or not? % chance of not meeting objective	<0.1 per cent	0.1-1 per cent	1 -10 per cent	10-50 per cent	>50 per cent

Once the **original** risk score has been established then the next step is to assess the controls and actions that have already been undertaken and whether the risk likelihood or impact has changed as a result. This may change and possibly reduce the risk score. This is now recorded as the **current** or residual risk score.

Risks may require further actions to be developed where current controls do not mitigate the risk to an acceptable risk level.

Target scores are important to establish as the third step in the risk scoring process. It is the score at which we would 'accept' the risk. It is the level of risk exposure that we are prepared to tolerate following completion of all the mitigation tasks.

Risks are graded, green, yellow amber or red.

Green Low Risk – the mitigation tasks are on schedule and the risk owner considers that the target score is achievable by the target date.

Yellow Medium Risk - one or more of the mitigation tasks are falling behind and there are some concerns that the target score may not be achievable by the target date unless the shortcomings are addressed.

Amber High Risk – several mitigation tasks are falling behind and there are concerns that the target score will not be achieved by the target date unless the shortcomings are addressed / new task are introduced.

Red Significant Risk – significant mitigation tasks are falling behind and there are serious concerns that the target score will not be achieved by the target date and the shortcomings must be addresses and/or new tasks are introduced.

Note that the risk scores are not intended to be a precise mathematical measure of risk. Any concerns must be escalated as part of the normal management process.

4. RISK RESPONSE

Once a risk has been identified and assessed there needs to be a plan in place to reduce or eliminate the risk.

The following are the basic types of risk response.

- **AVOID.** Change your strategy or plans to avoid the risk. Focus on eliminating the cause and thus, eliminating the threat.

- **MITIGATE.** Take action to reduce the risk. There are certain risks that cannot be eliminated. However, their impact can be reduced. This is termed as mitigation of risks.
- **TRANSFER.** Transfer the risk to a third party.
- **ACCEPT.** Decide to take the risk. Passive acceptance leaves action to be determined as needed, in case of a risk event. Active acceptance may involve contingency plans to be implemented if risk occurs and allocation of time and cost reserves to the project.

The choices of response strategies for OPPORTUNITIES include:

- **EXPLOIT:** Add work or change the project to make sure the opportunity occurs
- **ENHANCE:** Increase the probability and positive impact of risk events
- **SHARE:** Allocate ownership of opportunity to a third-party

All risks are recorded and managed via the 4Risk database.

Once a risk has been identified and scored the following approach should be undertaken to keep the risk response under review.

	Low Risk	Moderate Risk	High Risk	Significant Risk
Action	Add to risk register if unable to mitigate.	Add to risk register and alert head of department through normal team reports.	Inform head of department and add to risk register. Report to Chief Officers or Director through normal team reports	Add to risk register and escalate to Chief Officers or Director
Timescale	Minimal action required.	Mitigation within 6 months	Risks in this category shall have actions defined on the risk register with an action plan for risk treatment. Mitigation within 3 months	Immediate action with action/treatment plan defined on the risk register.

5. REPORTING AND MONITORING

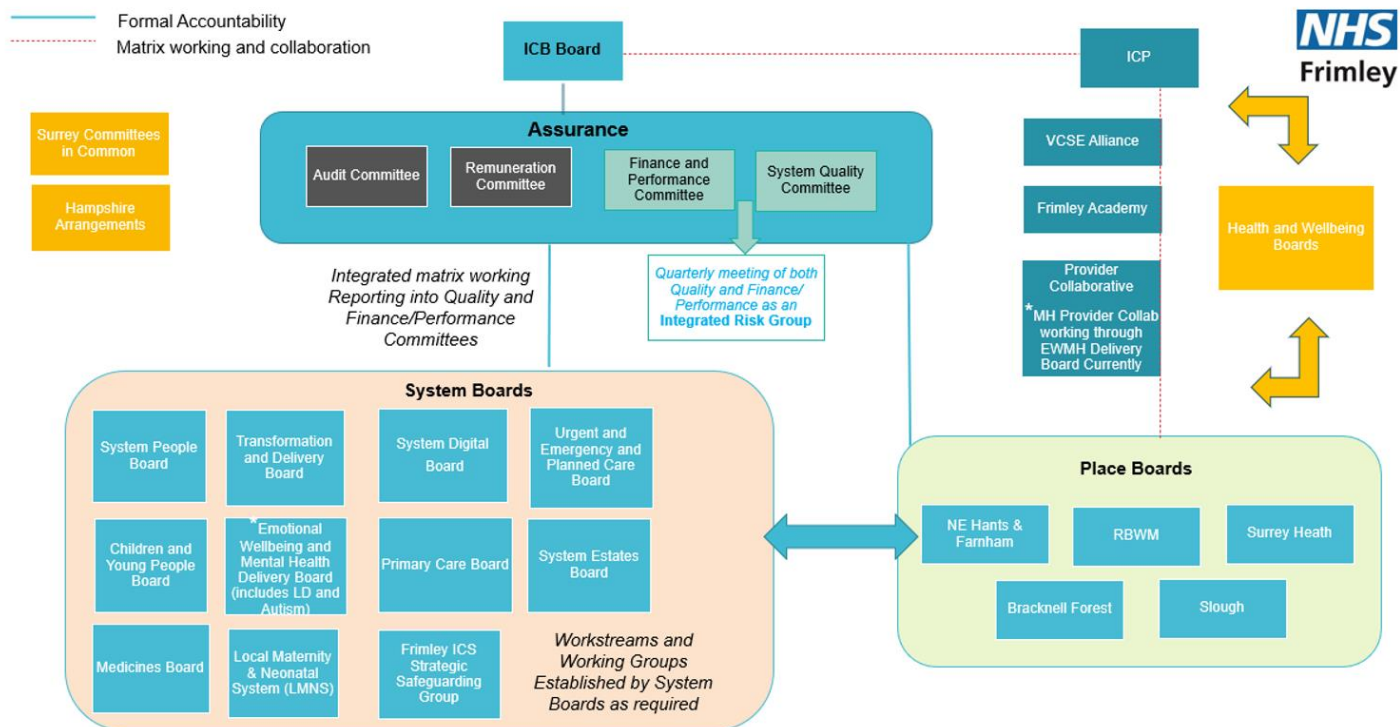
Reporting risk is the process of communicating real-time risk and performance data. Monitoring risk is a continuous activity that results in the awareness of what is happening across different parts of the organisation. Reports should help the ICB to:

- Monitor agreed risk response plans/ actions.
- Track key milestones.

- Evaluate the impact of controls and actions on the risk; and
- Identify new or unexpected risks.

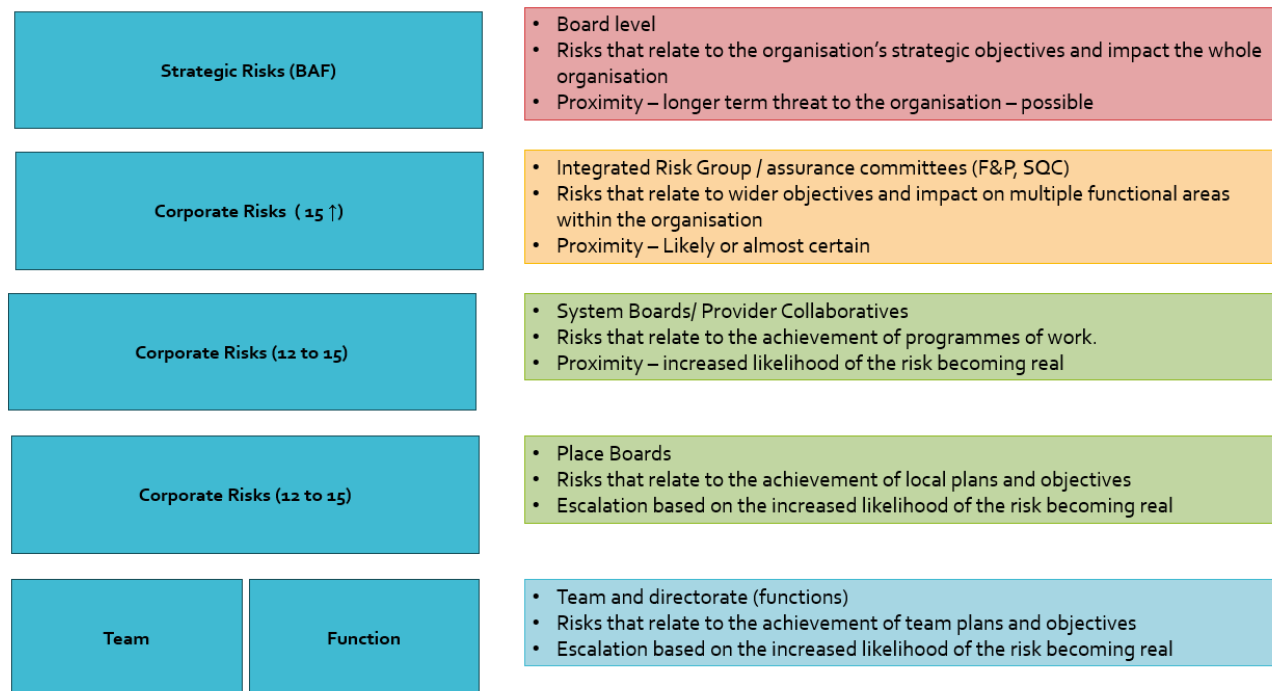
Reports should focus on what has changed, so executives and other decision-makers can make informed decisions on where to go from here.

The ICB has created a hierarchy to help prioritise reporting - System and Place Boards report to one of the ICB board sub-committees.



System and Place Boards are responsible for managing risks in line with the Escalation Framework and 15 ↑ risks are automatically escalated to the Corporate Risk Register for review by the Finance and Performance Committee and the System Quality Committee – members of these two committees meet together on a quarterly basis as the Integrated Risk Group. The Integrated Risk Group (i) provides an integrated assessment of complex, significant or recurrent risks (ii) monitors progress against plans and oversee the mitigations of any significant risks (iii) provides assurance on the completeness and accuracy of the Board Assurance Framework and (iv) escalates any serious concerns to the ICB board.

Escalation Framework - diagram and descriptors



6. ASSURANCE

The Board has a duty to assure itself that the organisation has properly identified the risks it faces, and that it has processes and controls in place to mitigate those risks and the impact they have on the organisation and its stakeholders.

The Board discharges this duty as follows:

- Identifies risks to the achievement of its strategic objectives.
- Monitors these on an ongoing basis via the Board Assurance Framework (BAF).
- Ensures that there is a structure in place for the effective management of risk throughout the ICB; and
- Demonstrates leadership, active involvement, and support for risk management.

According to the UK Corporate Governance Code *‘The board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The board should maintain sound risk management and internal control systems.’*

A critical role of any board is to focus on the risks that may compromise the achievement of the organisation's strategic objectives. To be confident that the systems of internal control are robust, the ICB must be able to provide evidence that it has systematically identified its strategic objectives and managed the principal risks to achieving them.

The Audit Committee Handbook identifies the assurance framework *‘the key source of evidence that links strategic objectives to risks and assurances, and*

the main tool that the board should use in discharging its overall responsibility for internal control.'

The BAF drives the Board and committee agendas. It provides a structure that enables the Board to focus on the significant risks, highlights any key controls (management actions to avoid or mitigate risks) that have been put in place to manage the risk, any areas requiring further action, sources of evidence or assurance, and any gaps.

The assurance framework in the Good Governance Institute's is '*the original invest-to-save scheme for boards. Time spent on getting the various elements of the BAF right will help boards streamline assurance, locate where and how assurance is tested and develop proportionality in board reporting.*'

The Board is therefore responsible for identifying their risk appetite (see section 1) and risk tolerance for each strategic objective and agreeing what is sufficient in terms of controls and the assurances that the controls are operating effectively.

The greater the risk appetite, the more controls should be put in place by management to avoid or mitigate the risk.

The Audit Committee

The Audit Committee, in line with the NHS Audit Committee Handbook and its Terms of Reference, ensures the ICB has an effective process in place for risk management.

The role of the Audit Committee is to review the adequacy and effectiveness of the system of integrated governance, risk management and internal control across the whole of the ICB's activities that support the achievement of its objectives, and to highlight any areas of weakness to the board including:

- To review the adequacy and effectiveness of the assurance processes that indicate the degree of achievement of the ICB's objectives, the effectiveness of the management of principal risks.
- To have oversight of system risks where they relate to the achievement of the ICB's objectives.
- To receive assurance from the Integrated Risk Group comprised of Finance & Performance and System Quality Committee members on its strategic oversight of identified risks and mitigations which have been escalated through the Corporate Risk Register to the Board Assurance Framework and to note the assurance from the IRG on the System and Place Board ToRs.

Statement of Assurance

Each year the Accountable Officer is required to provide to the ICB stakeholders and public an *Annual Governance Statement* which forms part of the ICB's Annual Report. This is a statement of assurance that appropriate policies and processes are in place and that internal control systems are functional and effective to manage key risks to the organisation. The Audit Committee recommends the Annual Governance Statement for approval by the Board before inclusion in the Annual Report.

7. TOOLS AND TECHNOLOGY

4risk™ has been chosen by the ICB to provide a flexible risk and business assurance management information software system that enables the ICB to monitor and measure its overall exposure to risk and examine the effectiveness of its control environment.

Guidance and further details can be obtained by contacting the Governance Team.

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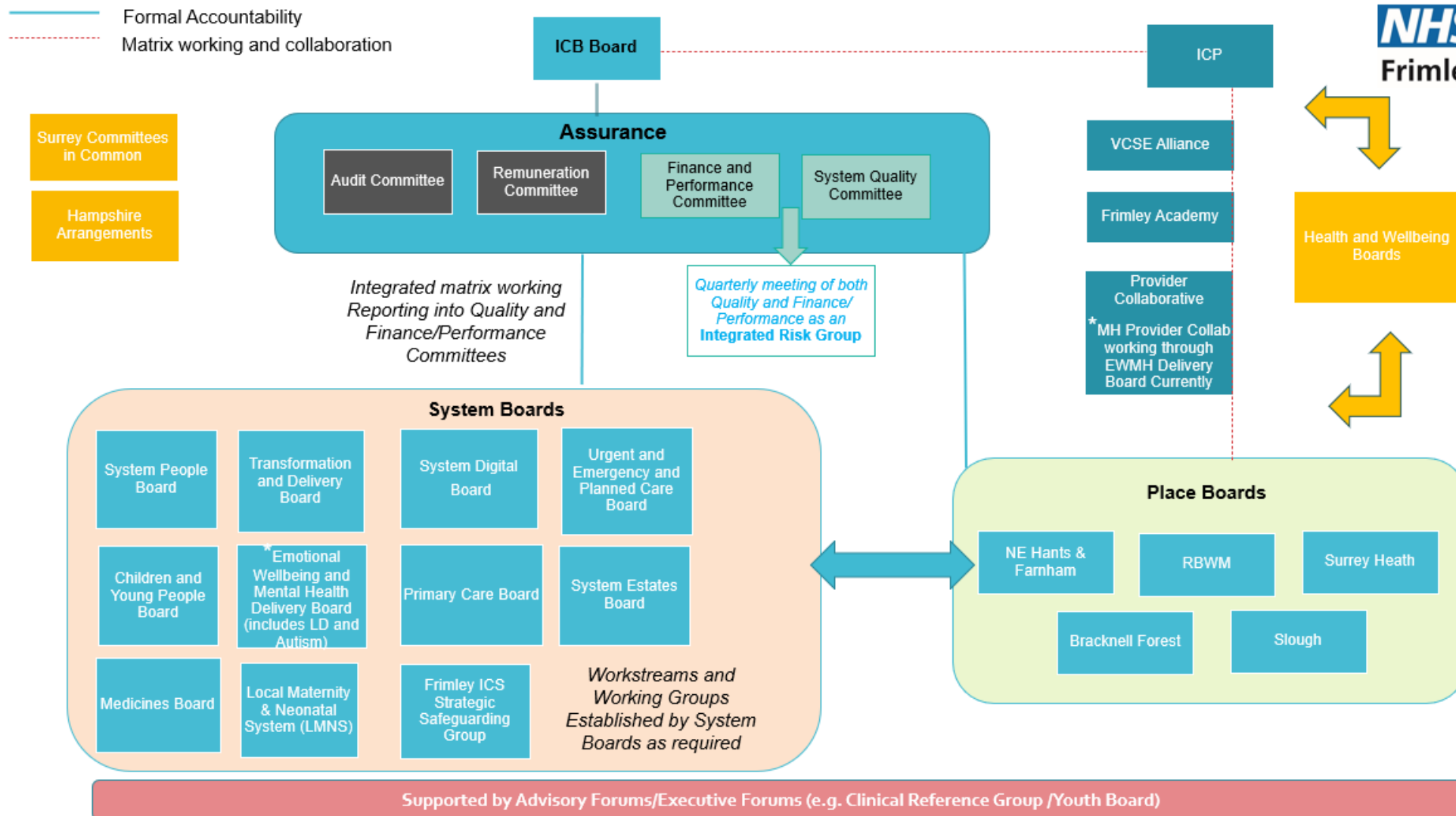
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14 November 2023

1. Risk Management and Escalation Framework

- Governance Map
- Governance levels 1-4
- Risk management framework – Governance Diagram
- Risk escalation framework – diagram and descriptors
- Risk management framework – descriptors

2. Designing a risk management system for 4Risk

- New risk areas on 4 Risk
- Proposed risk areas
- Current risk appetite and escalation threshold
- Escalation Framework – mapping the organisation (examples)
- Supporting information
 - Five by five matrix table
 - Impact assessment tables



Governance levels 1-4

Level One – ICB Board and ICP

Key roles: Strategic, assurance, statutory, decision making

Level Two – formal committees of the ICB Board

Key roles: principal assurance for the ICB, statutory (audit and rem com), decision making in line with scheme of reservation and delegation for each committee.

Level Three – strategic oversight groups

Key roles: executive led oversight on strategic plans, risk escalation and issue resolution, decision making within scope of executive decision-making responsibilities (in accordance with the financial scheme of delegation).

Level Four – team, development and delivery groups

Key roles: executive oversight on the delivery of major programmes of work, developing new ways of working, innovation, risk escalation and issue resolution within the scope of the programme plans.

Risk Management Framework – Governance diagram



Escalation Framework - diagram and descriptors

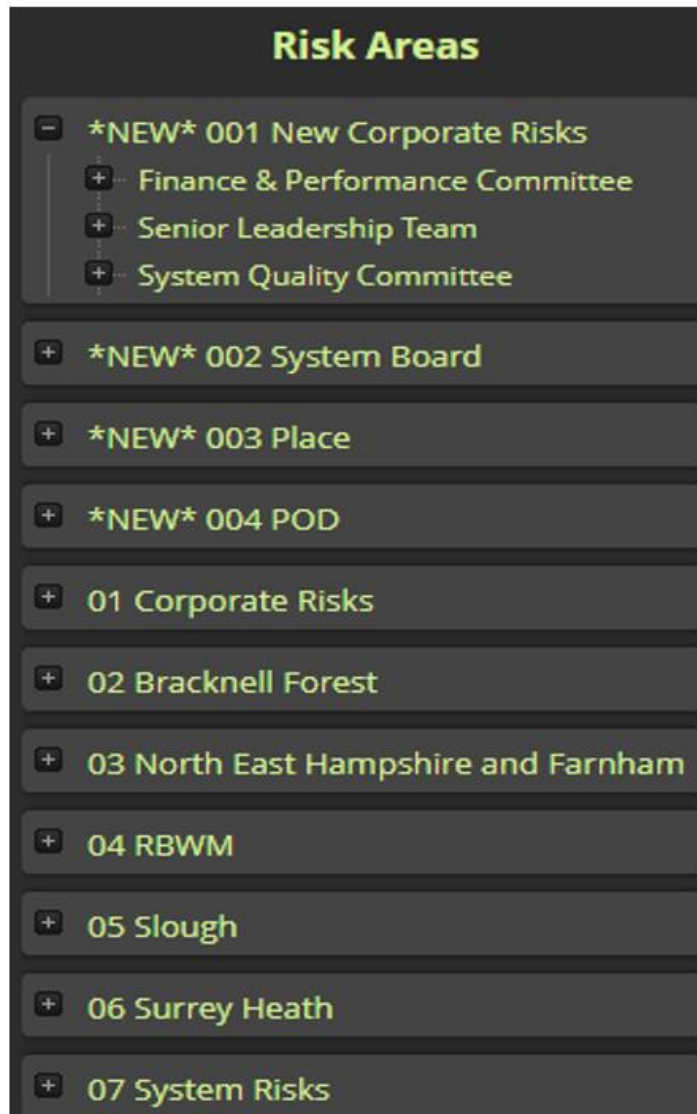


Risk Management Framework	Low risk	Moderate Risk	High Risk	Significant Risk
	Score 1-3	Score 4-8	Score 9-12	Score 15-25
Action	The mitigation tasks are on schedule and the risk owner considers that the the target score is achievable by the target date.	One or more of the mitigation tasks are falling behind and there are some concerns that the target score may not be achievable by the target date unless the shortcomings are addressed.	One or more of the mitigation tasks are falling behind and there are significant concerns that the target score may not be achievable by the target date unless the shortcomings are addressed.	Significant mitigation tasks are falling behind and there are serious concerns that the target score may not be achievable by the target date unless the shortcomings are addressed. New tasks often needed.
Escalation	Add to risk register if the risk is possible.	Add to risk register and alert the line manager through normal team meetings and reports.	Add to risk register and alert the line manager through normal team meetings and reports.	Already on risk register. Agree to escalate and add to corporate risk register or BAF.
Proximity	Rare/ unlikely	Unlikely / Possible	Possible/ Likely	Likely / almost certain
Impact	Negligible/ Minor	Minor	Moderate	Major/ Significant
Risk register and reporting	Team risk	Team risk	Programme or local plan risk	Corporate risk register
	Level 4 reporting	Level 4 reporting	Level 3 reporting	Level 2 reporting
Management	Assess effectiveness of control and assurance environments	Assess effectiveness of control and assurance environments	Action plan in place to improve controls and assurance to reduce likelihood and/ or impact of the risk	Immediate action with action/ treatment plan in place to reduce likelihood and/ or impact of the risk

2. Designing a risk management system for 4Risk

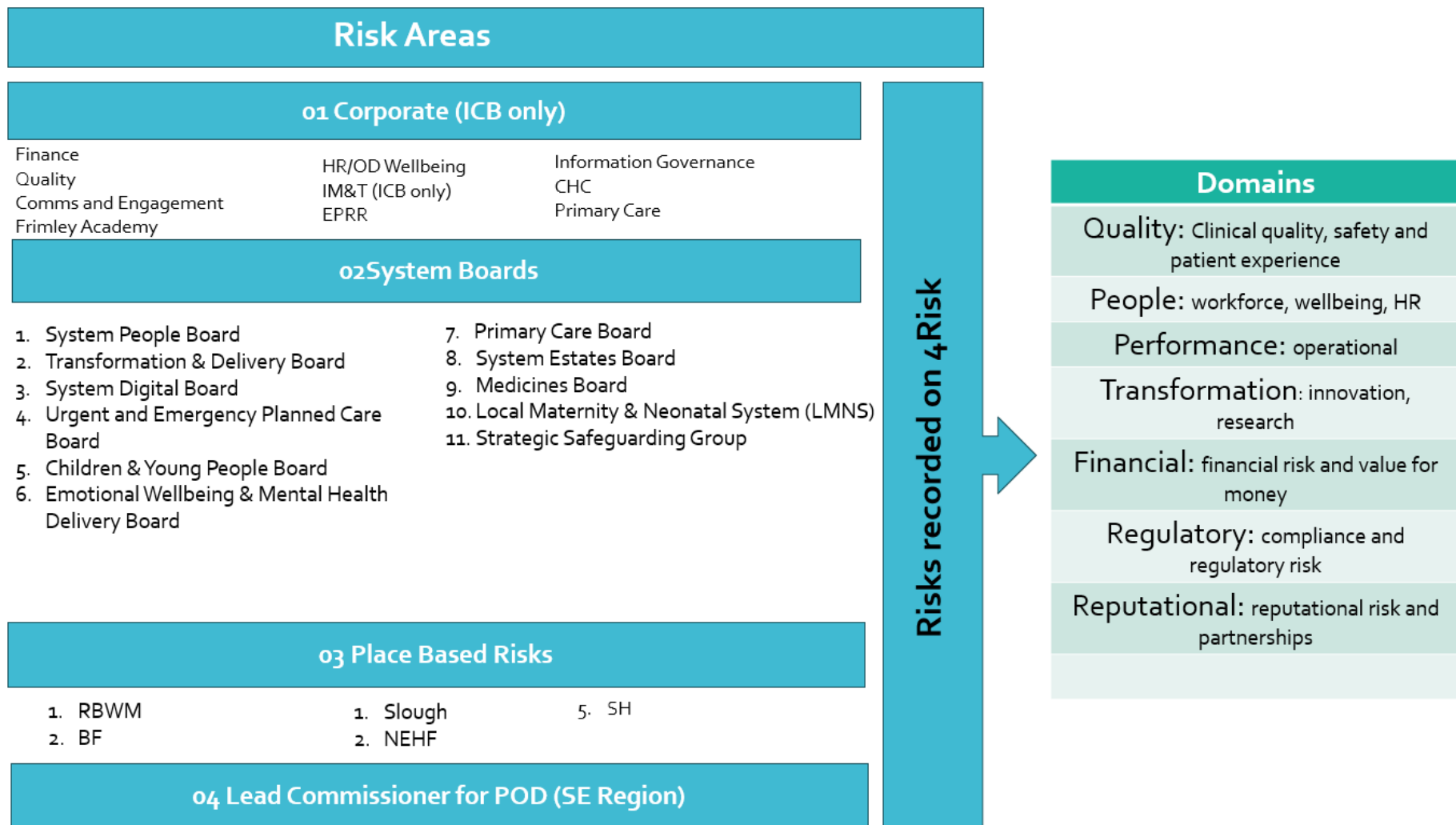
- See *New risk areas on 4Risk which align with the Governance Structure
- Proposed risk areas
- Current risk appetite and escalation threshold
- Escalation Framework – mapping the organisation
- Supporting information
 - Five by five matrix table
 - Impact assessment tables

4Risk – New Risk Areas



Sub Risk Areas

- *NEW Financial: Financial risk and value for money
- *NEW People: Workforce
- *NEW Performance: Operational Performance
- *NEW Quality: Clinical quality, safety and patient experience
- *NEW Regulatory: Compliance and regulatory report
- *NEW Reputational: Reputational risk and partnerships
- *NEW: Transformation: Innovation and transformation



Current risk appetite and escalation threshold

Domains	Risk Appetite	Risk Threshold
QUALITY: Clinical quality, safety and patient experience	Cautious	8
PEOPLE: Workforce	Open	12
PERFORMANCE: Operational Performance	Open	12
TRANSFORMATION: Innovation and transformation	Seek	16
FINANCIAL: Financial risk and value for money	Open	12
REGULATORY: Compliance and regulatory risk	Open	12
REPUTATIONAL: Reputational risks and partnerships	Open	12

Escalation Framework – mapping the organisation

01 Corporate (ICB only)

* Except for Quality domain risks which have an escalation score of 9 and above

Finance
Quality
Comms and Engagement
Frimley Academy

HR/OD Wellbeing
IM&T (ICB only)
EPRR

Information Governance
CHC
Primary Care

Team/ group/ function/ programme	Level 3 Risk Escalation	Level 2 Risk Escalation	
	Risks scored 12-15 *	Risks scored 15 or more	
Finance	SLT – bi-monthly	Finance and Performance Committee	Integrated Risk Group
Quality		System Quality Committee	
Comms and Engagement Frimley Academy IG CHC HR/OD Wellbeing IM&T (ICB only)		SLT	
EPRR		Urgent and Emergency Planned Care Board	
Primary Care		Primary Care Board	

Escalation Framework – mapping the organisation

o2System Boards

* Except for Quality domain risks which have an escalation score of 9 and above

Team/ group/ function/ programme	Level 3 Risk Escalation	Level 2 Risk Escalation	
	Risks scored 12-15 *	Risks scored 15 or more	
System Workforce	1. System People Board	System People Board	Integrated Risk Group
Transformation programmes	2. Transformation and Delivery Board	Finance and Performance/ System Quality Committees	
Digital programmes	3. System Digital Board		
POD (Frimley ICS only)	TBC	Finance and Performance Committee	
UEC programmes	4. Urgent and Emergency Planned Care Board	Finance and Performance/ System Quality Committees	
Planned Care programmes			
Children & Young People	5. Children & Young People Board		

Escalation Framework – mapping the organisation

o2System Boards

* Except for Quality domain risks which have an escalation score of 9 and above

Team/ group/ function/ programme	Level 3 Risk Escalation	Level 2 Risk Escalation	
	Risks scored 12-15 *	Risks scored 15 or more	
Mental Health	6.Emotional Wellbeing and MH Delivery Board	Finance and Performance/ Quality Committees	Integrated Risk Group
Primary Care	7. Primary Care Board		
Community Services	TBC		
Estates programme	8. System Estates Board	Finance and Performance Committee	
Meds <u>Optimisation</u>	9. Medicines Board	System Quality Board	
Local Maternity and Neonatal Services	10. Local Maternity and Neonatal System Board		
Safeguarding	11. Strategic Safeguarding Group		

Escalation Framework – mapping the organisation

03 Place Based Risks

* Except for Quality domain risks which have an escalation score of 9 and above

Domains	Level 3 Risk Escalation	Level 2 Risk Escalation
All	Risks scored up to and including 15 *	Risks scored 15 or more
Quality: Clinical quality, safety and patient experience	Place Boards	System Quality Committee
People: workforce, wellbeing, HR		SLT
Performance: operational		SLT
Transformation: innovation, research		SLT
Financial: financial risk and value for money		Finance and Performance Committee
Regulatory: compliance and regulatory risk		SLT
Reputational: reputational risk and partnerships		SLT
		Integrated Risk Group

Escalation Framework – mapping the organisation

04 Lead Commissioner for POD (SE Region)

* Except for Quality domain risks which have an escalation score of 9 and above

Domains	Level 3 Risk Escalation	Level 2 Risk Escalation
All	Risks scored up to and including 15 *	Risks scored 15 or more
Quality: Clinical quality, safety and patient experience People: workforce, wellbeing, HR Performance: operational Transformation: innovation, research Financial: financial risk and value for money Regulatory: compliance and regulatory risk Reputational: reputational risk and partnerships	<p>Each ICS in the Southeast Region will report separate risk registers that will be managed and mitigated at an ICS level.</p> <p>These risk registers will be reviewed on a quarterly basis by the Committees in Common.</p>	<p>Each ICS will be responsible for escalating significant risks to the Committees in Common. These will be moderated by the Committees in Common, and strategic risks added to the POD regional risk register held by the lead commissioner (NHS Frimley) on 4Risk.</p> <p>NHS Frimley will provide reports on POD regional risk register at each Committees in Common meeting.</p> <p>The Committees in Common will make an assessment whether to escalate further to NHSE or ICB Boards.</p>

Supporting information

Risk Score Matrix

Likelihood	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
Impact					

Low Risk	Medium Risk	High Risk	Significant Risk
1-3	4-8	9-12	15+

Likelihood Score

Likelihood Score		(L)			
Descriptor	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Frequency How often does it/ might it happen	This will probably never happen/ recur	Do not expect it to happen / recur but it is possible it may do so	Might happen or recur occasionally	Will probably happen/ recur but it is not a persistent issue	Will undoubtedly happen/ recur, possibly frequently
Probability Will it happen or not? % chance of not meeting objective	<0.1 per cent	0.1-1 per cent	1 -10 per cent	10-50 per cent	>50 per cent

Impact (Consequence) Score

	Consequence score (impact levels) and examples of descriptors				
	1	2	3	4	5
Domains	Negligible	Minor	Moderate	Serious	Catastrophic
Impact on the safety of patients, staff or public (physical/psychological harm)	<ul style="list-style-type: none"> Minimal injury requiring no/minimal intervention or treatment. No time off work 	<ul style="list-style-type: none"> Minor injury or illness, requiring minor intervention Requiring time off work for >3 days Increase in length of hospital stay by 1-3 days 	<ul style="list-style-type: none"> Moderate injury requiring professional intervention Requiring time off work for 4-14 days Increase in length of hospital stay by 4-15 days RIDDOR/agency reportable incident An event which impacts on a small number of patients 	<ul style="list-style-type: none"> Major injury leading to long-term incapacity/disability Requiring time off work for >14 days Increase in length of hospital stay by >15 days Mismanagement of patient care with long-term effects 	<ul style="list-style-type: none"> Incident leading to death Multiple permanent injuries or irreversible health effects An event which impacts on a large number of patients
Quality/complaints/audit	<ul style="list-style-type: none"> Peripheral element of treatment or service suboptimal Informal complaint/inquiry 	<ul style="list-style-type: none"> Overall treatment or service suboptimal Formal complaint Local resolution Single failure to meet internal standards Minor implications for patient safety if unresolved Reduced performance rating if unresolved 	<ul style="list-style-type: none"> Treatment or service has significantly reduced effectiveness Formal complaint/Local resolution (with potential to go to independent review) Repeated failure to meet internal standards Major patient safety implications if findings are not acted on 	<ul style="list-style-type: none"> Non-compliance with national standards with significant risk to patients if unresolved Multiple complaints/independent review Low performance rating Critical report 	<ul style="list-style-type: none"> Totally unacceptable level or quality of treatment/service Gross failure of patient safety if findings not acted on Inquest/ombudsman inquiry Gross failure to meet national standards
Human resources/Organisational development/staffing/competence	<ul style="list-style-type: none"> Short-term low staffing level that temporarily reduces service quality (< 1 day) 	<ul style="list-style-type: none"> Low staffing level that reduces the service quality 	<ul style="list-style-type: none"> Late delivery of key objective/ service due to lack of staff Unsafe staffing level or competence (>1 day) Low staff morale Poor staff attendance for mandatory/key training 	<ul style="list-style-type: none"> Uncertain delivery of key objective/service due to lack of staff Unsafe staffing level or competence (>5 days) Loss of key staff Significant numbers of staff not attending mandatory / key training 	<ul style="list-style-type: none"> Non-delivery of key objective /service due to lack of staff Ongoing unsafe staffing levels or competence Loss of several key staff No staff attending mandatory training key training on an ongoing basis
Statutory duty/inspections	<ul style="list-style-type: none"> No or minimal impact or breach of guidance/statutory duty 	<ul style="list-style-type: none"> Breach of statutory legislation Reduced performance rating if unresolved 	<ul style="list-style-type: none"> Single breach in statutory duty Challenging external recommendations/improvement notice 	<ul style="list-style-type: none"> Enforcement action Multiple breaches in statutory duty Improvement notices Low performance rating Critical reports 	<ul style="list-style-type: none"> Multiple breaches in statutory duty Prosecution Complete systems change required Zero performance

Adverse publicity / reputation	<p>Rumors</p> <p>Potential for public concern / media interest</p> <p>Damage to an individual's reputation.</p>	<ul style="list-style-type: none"> Local media coverage – short-term reduction in public confidence Elements of public expectation not being met Damage to a team's reputation 	<ul style="list-style-type: none"> Local media coverage – long-term reduction in public confidence Damage to a services reputation 	<ul style="list-style-type: none"> National media coverage with <3 days service well below reasonable public expectation Damage to an organisation's reputation 	<ul style="list-style-type: none"> National media coverage with >3 days service well below reasonable public expectation. MP concerned (questions in the House) Total loss of public confidence (NHS reputation)
Business objectives/ projects	<p>Insignificant cost increase/schedule slippage</p>	<ul style="list-style-type: none"> <5 per cent over project budget Schedule slippage 	<ul style="list-style-type: none"> 5-10 per cent over project budget Schedule slippage 	<ul style="list-style-type: none"> Non-compliance with national 10-25 per cent over project budget Schedule slippage Key objectives not met 	<ul style="list-style-type: none"> Incident leading >25 per cent over project budget Schedule slippage Key objectives not met
Finance including claims	<p>Small loss</p> <p>Risk of claim remote</p>	<ul style="list-style-type: none"> Loss of 0.1-0.25 per cent of budget Claim less than £10,000 	<ul style="list-style-type: none"> Loss of 0.25-0.5 per cent of budget Claim(s) between £10,000 and £100,000 	<ul style="list-style-type: none"> Uncertain delivery of key objective/ Loss of >0.5-1.0 per cent of budget Claim(s) between £100,000 and £1 million Purchasers failing to pay on time 	<ul style="list-style-type: none"> Non-delivery of key objective/ Loss of >1 per cent of budget Failure to meet specification / slippage Loss of contract / payment by results Claim(s) >£1 million
Service/business interruption	<p>Loss/interruption of >1 hour</p> <p>Minimal or no impact on the environment</p>	<ul style="list-style-type: none"> Loss/interruption of >6 hours Minor impact on environment 	<ul style="list-style-type: none"> Loss/interruption of >1 day Moderate impact on environment 	<ul style="list-style-type: none"> Loss/interruption of >1 week Major impact on environment 	<ul style="list-style-type: none"> Permanent loss of service or facility Catastrophic impact on environment
Data Loss / Breach of Confidentiality	<p>Potentially serious breach. Less than 5 people affected or risk assessed as low eg files</p>	<ul style="list-style-type: none"> Serious potential breach and risk assessed high eg unencrypted clinical records Up to 20 people affected 	<ul style="list-style-type: none"> Serious breach of confidentiality eg up to 100 people affected 	<ul style="list-style-type: none"> Serious breach with either particular sensitivity eg sexual health details or up to 1000 people affected 	<ul style="list-style-type: none"> Serious breach with potential for ID theft or over 1000 people affected

Appendix B

Definitions and Glossary

For the purposes of this document, the following terms and definitions apply.

Main definitions

Risk is the chance that something will happen that will have an impact on the achievement of the ICB's aims and objectives. It is measured in terms of likelihood (frequency or probability of the risk occurring) and severity (impact or magnitude of the effect of the risk occurring).

Risk Management is 'the culture, process and structures that are directed towards the effective management of potential opportunities and adverse effects'.

The **risk management process** is 'the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communication risk'.

Additional definitions

Acceptance	Informed decision to take a particular risk subject to monitoring and review.
Aggregation	Combination of several risks into one risk to develop a more complete understanding of the overall risk.
Appetite	The amount and type of risk an organisation is willing to pursue or retain.
Avoidance	Informed decision not to be involved in or to withdraw from an activity in order not to be exposed to a particular risk.
Consequence	Outcome of an event affecting objectives.
Control	Measure that maintains and/or modifies risk. Controls include, but are not limited to, any process, policy, device, practice, or other conditions and/or actions which maintain and/or modify risk. Controls may not always exert the intended or assumed modifying effect.
Event	Occurrence or change of a particular set of circumstances. An event can be a risk source.
Issue	An issue is essentially a risk that has happened. In other words, risks are potential future problems and issues are current problems.

Likelihood	Chance of something happening.
Managing risk	See treatment
Retention	Acceptances of potential gain, burden, or loss from a particular risk. Risk retention includes the acceptance of residual risks.
Residual Risk	Risk remaining after risk treatment (mitigation). Also known as retained risk.
Risk Sharing	Form of risk treatment involving the agreed distribution of risk with other parties. Legal or regulatory requirements can limit, prohibit, or mandate risk sharing.
Source	Element which alone or in combination has the potential to give rise to risk.
Treatment	<p>Process used to modify the risk. Risk treatment can involve:</p> <ul style="list-style-type: none"> - avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk. - taking or increasing risk to pursue an opportunity. - removing the risk source. - changing the likelihood. - changing the consequences. - sharing the risk with another party or parties [including contracts and risk financing]; and - retaining the risk by informed decision. <p>Risk treatments that deal with negative consequences are sometimes referred to as “risk mitigation”, “risk elimination”, “risk prevention” and “risk reduction”.</p>
Tolerance	The readiness to bear the risk after treatment (mitigation)