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.
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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 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 organisations' policies. Partner organisations within the ICS should continue to hold their own risk registers in accordance with their local policies.

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 by providing a robust system of internal control for risk management. This policy supports and compliments 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.

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
- Have 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
- Have 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 ICB is committed to commissioning high quality, cost-efficient, sustainable and effective healthcare services for its population and meeting its organisational objectives.

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 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
- Collaborative 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 ICB 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.

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 should therefore 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 collaborative 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 collaborative risks can be found in sections E6 and E7.

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.

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 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 program but not to the organisation as it would not impact the ICB.

B14. Training

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.

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 to support their Chief Officer with whom the responsibility lies. 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
- Maintain a central folder within each directorate containing the meeting notes/minutes from meetings where risk is discussed outside of the formal governance meetings.

C4. Managers and Staff

The ICB's managers and staff will:

- 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
- Work within this policy
- 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 Director 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:
- Provide scrutiny, review and oversight of key risks (appropriate to the remit of each committee)
- Receive risk reports
- Horizon scan and communicate findings for action
- Hold risk owners to account for their risks.

C7. Executive Leadership Team

The Executive Leadership 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 (listed below), 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.

From 1 July 2022 until 31 March 2023, staff should determine whether the risk identified could affect the aims of the Integrated Care System:

- To improve outcomes in population health and healthcare
- To tackle inequalities in outcomes, experience and access
- To enhance productivity and value for money
- To support broader social and economic development

As the ICB and system develops over the year, a full set of strategic objectives will be established and in place for April 2023

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".

Risk scoring

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.

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

A target risk score and date should be agreed with the relevant risk champion and Chief Officer.

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 leadership 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 to 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 Leadership 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.

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 so 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.
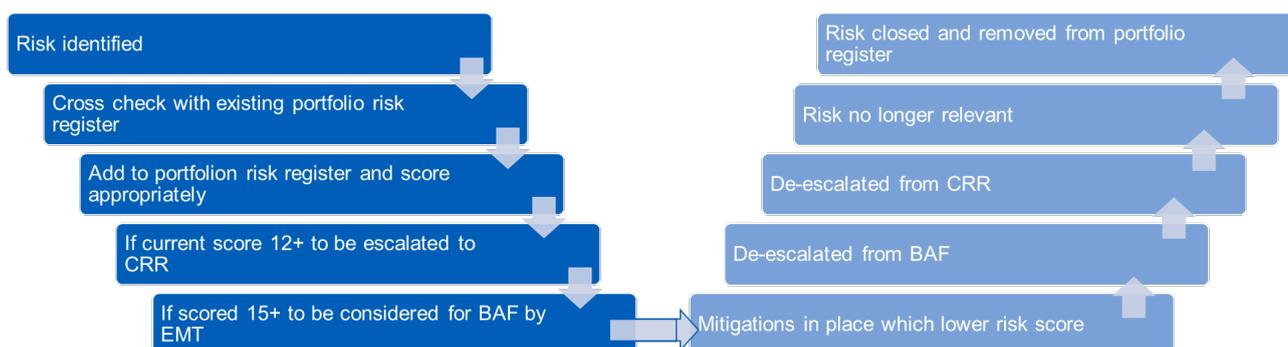
D5. De-escalation

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.

D7. Risk process summary flow chart

Risk identified

Cross check with existing portfolio risk register

Add to portfolion risk register and score appropriately

If current score 12+ to be escalated to CRR

If scored 15+ to be considered for BAF by EMT

Mitigations in place which lower risk score

De-escalated from BAF

De-escalated from CRR

Risk no longer relevant

Risk closed and removed from portfolio register

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 are:
- Finance and Performance
- Nursing
- Medical
- Strategy and Transformation
- Participation and Place
- People and Culture

E2.   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.

E3.   Board Assurance Framework
The ICB will have a Board Assurance Framework (BAF). The BAF will be comprised of the ICB's key strategic 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.

E4.   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 discussion at Executive Leadership Team meetings and will be presented for operational scrutiny, review and oversight at least quarterly. The Executive Leadership Team may re-grade, add amend or close risks at its absolute discretion.

The Executive Leadership 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 I C B B o a r d for scrutiny, review and oversight at each B o a r d 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.

E5.   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.

E6.   Project Risks
Risks at the project 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 directorates, 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 Leadership Team if required.

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.

E7.   ICS Collaboratives and Place-based Partnerships Risks
Committees involving partners across the Integrated Care System (ICS), such as provider collaboratives, alliances and place-based partnerships, will hold separate risk registers for their programmes of work. These risks are owned by the appropriate ICB Chief Officer in accordance with their portfolio – i.e. all place-based partnership risks will be owned by the Chief Participation and Place Officer and risks from the Mental Health Alliance will be owned by the Chief Medical Officer. The risk owner can delegate the role of Action Owner to an external partner member of the committee, however accountability will remain with the ICB Chief Officer.

The Place-based Partnerships' risks should be localised and operational. Any risks that are applicable across the NEL footprint or are strategic should be held on the Chief Officer's Portfolio Risk Register and not the Partnerships'. Any place-based risks that are escalated to the CRR from the Portfolio Risk Register should be re-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 ICS ie 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 ICS Collaboratives and Alliances risks should be operational and specific to their programmes of work. Any risks that are applicable across the NEL footprint or are strategic should be held on the Chief Officer's Portfolio Risk Register and not 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.

Appendix 1 Impact scoring

	Rating	Description	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

Areas possibly impacted

Appendix 2 Risk Appetite

This schedule sets out the ICB's risk appetite and is linked with Appendix 1. This has been included by way of example only and is illustrative of the content to be included based on good practice. The ICB Board sets the ICB's risk appetite.

The chart below shows the appetite grading for risks based on their potential impact

Appetite Description	Appetite Level
The ICB is not willing to accept these risks under any circumstances	1
The ICB is not willing to accept these risks (except in very exceptional circumstances)	2
The ICB is willing to accept some risk in this area (risk score of 1-3)	3
The ICB is willing to accept moderate risk in this area (risk score of 4-6)	4
The ICB is willing to accept high risk in this area (risk score of 8-25)	5

This schedule sets out the ICB's service areas for which the Board will agree a risk appetite.

No.	Service Area	ICB Board Statement	Appetite Level
1.	Quality	We will ensure good quality service for all the people of north east London and will only rarely accept risks that threaten that goal.	2
2.	Safety	We hold patient and staff safety as the highest priority and will not accept any risk that threatens either.	1

3.	Compliance with legislation and statutory guidance	We will comply with all legislation relevant to the ICB and will not accept any risk that, if realised, would result in non-compliance.	1
4.	Compliance with non-statutory NHS England/Improvement guidance	The ICB will comply with all non-statutory guidance issued by NHS England/Improvement and will not accept any risk that, if realised, would result in non-compliance except in very exceptional circumstances.	2
5.	Procurement	We will procure services in line with English law and national guidance but will accept some procurement risk in the achievement of the ICB's objectives.	3
6.	Conflicts of Interest	We will preserve the integrity of our decision-making processes and our decisions and will comply with statutory guidance. Given the nature of the ICB and the challenges of delivering national and local plans, we are willing to accept exceptional risk in certain circumstances but these will be managed robustly.	2
7.	Reputation	We intend to maintain high standards of conduct and will accept risks that may cause reputational damage only in certain circumstances, and only when the benefits for patients and residents merit the risk.	3
8.	Innovation & Productivity	We aim to foster, and will encourage, a culture of innovation and efficiency; in so doing we are prepared to accept moderate risk. However, when doing so we will work within the risk appetite levels for each service area set out in this document and will not exceed them.	4
9.	Finance	We will strive to work within set financial limits and mitigate any risks that, if realised, would cause a breach to the ICB's agreed budget. The achievement of strategic objectives, value for money and cost effectiveness can justify calculated risk.	3

10.	Partnerships- Integrated Care System ('ICS')	We will accept a moderate level of risk in working with ICS partner organisations to achieve the aims and objectives of the NHS Long Term Plan and ensure the best outcomes for patients.	4
11.	Partnerships – Place-based Partnerships (PbPs)	We will accept some risk in working with partner organisations at a place level to achieve the aims and objectives of the NHS Long Term Plan and ensure the best outcomes for patients and local residents.	3
12.	Partnerships- Other partnerships including non ICS, non ICP, other NHS providers, the third sector and the private sector.	We will accept some risk in working with non ICS/ PbP partner organisations, other NHS providers, the third sector and/or the private sector to achieve the aims and objectives of the NHS Long Term Plan and ensure the best outcomes for patients.	3

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 4 for Innovation and Productivity. However, while doing so the ICB will work within the risk appetite levels of 1 for Safety and 2 for Quality.

Appendix 3 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.