



Merton Clinical Commissioning Group

## Report to the Merton Clinical Commissioning Group Governing Body

**Date of Meeting: Thursday 27<sup>th</sup> September 2012**

**Agenda No: 6.7**

**ATTACHMENT 04**

<p><b>Title of Document:</b> Risk Management Framework 2012/13: position statement</p>	<p><b>Purpose of Report:</b> For Review</p>
<p><b>Report Author:</b> Jackie Moody, Head of the Business Support Unit</p>	<p><b>Lead Director:</b> Eleanor Brown, Chief Officer</p>
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<p><b>Executive Summary:</b> The Clinical Commissioning Group is required to submit to the National Commissioning Board its approach to risk management as part of a emerging CCG's application to the NHS Commissioning Board for authorisation. This paper provides a position statement confirming the intention to adopt the NHS South West London (NHS SWL) Risk Management and Assurance Policy during 2012/13, by when the CCG will have developed its own policy.</p>	
<p><b>Key sections for particular note (paragraph/page), areas of concern etc:</b></p> <p>Section 2: governance arrangements for 2012/13, noting that the CCG is in a risk share arrangement with Sutton CCG until 31<sup>st</sup> March 2012.</p> <p>Section 3: the CCG is developing its own risk management and assurance policy for 2013/14 onward.</p>	
<p><b>Recommendation(s):</b> The Merton Clinical Commissioning Group Governing Body is requested to note the CCG's approach to risk management in 2012/13.</p>	

<p><b>Committees which have previously discussed/agreed the report:</b> N/A</p>
<p><b>Financial Implications:</b> Risk management arrangements must take into account the shared financial responsibility with Sutton CCG in 2012/13 as constituent parts of the Sutton and Merton PCT</p>
<p><b>Implications for the Sutton and Merton Board or Joint PCT Boards:</b> As for financial implications.</p>
<p><b>Other Implications:</b> (including patient and public involvement/Legal/Governance/Risk/ Diversity/ Staffing) N/A</p>
<p><b>Equality Analysis:</b> N/A</p>
<p><b>Information Privacy Issues:</b> Nil</p>
<p><b>Communication Plan:</b> (including any implications under the Freedom of Information Act or NHS Constitution) In the public domain.</p>

## **Merton CCG Risk Management Framework 2012/13: position statement**

### **1. Introduction**

1.1 The Commissioning Group is required to submit its approach to risk management to the NHS Commissioning Board as part of the emerging CCG's application for authorisation.

1.2 This paper provides a position statement confirming the intention to adopt the NHS South West London (NHS SWL) Risk Management and Assurance Policy during 2012/13, when the Sutton and Merton PCT Board remains the statutory body, whilst developing a Merton CCG specific policy for 2013/14 forward.

### **2. Corporate and Financial Governance Arrangements in 2012/13**

2.1 The CCG Governing Body will operate in full shadow as a committee of the Sutton and Merton PCT Board, part of the NHS SW London Joint Boards, the statutory body until 31<sup>st</sup> March 2013, under the continuing separate and independent delegation agreement for Sutton and Merton CCGs of the entire available Sutton and Merton PCT commissioning budget for 2012/2013 as per the national delegation indicator, as agreed by the Joint Boards in March 2012.

2.2 Merton CCG is therefore required to comply with the NHS SWL London Standing Orders and Standing Financial Instructions and Scheme of Delegation and, together with Sutton CCG have a shared responsibility to work together to oversee the delivery of agreed objectives for Sutton and Merton PCT.

2.3 During 2012/13 the CCG governing body will receive reports on its own and the PCT-wide position; consider recommendations; and mitigate any risks in collaboration with Sutton CCG as appropriate.

### **3. Risk Management in 2012/13**

3.1 Merton CCG is committed to implementing the principles of good governance, including a systematic and consistent approach to managing organisational risks. In order to commission high quality care, the CCG will ensure that all risks arising from its activities and plans, threatening the achievement of its targets or well being of patients, staff and stakeholders are effectively and efficiently managed.

3.2 Recognising the requirement for risk sharing with Sutton CCG, that during 2012/13 the Sutton and Merton PCT Board remains the statutory body and their corporate objectives underpin the risk register, Merton CCG intend to adopt the NHS South West London (NHS SWL) Risk Management and Assurance Policy as an interim measure.

3.3 The NHS SW London risk management framework is on the public website: link <http://www.southwestlondon.nhs.uk/About/Policiesandprocedures/Pages/default.aspx>

3.4 In the six months leading up to full transfer of commissioning responsibilities to Merton CCG, the CCG is developing its own risk management and assurance policy for 2013/14 onward. The CCG is also committed to developing its own corporate objectives, and minimising risks to their achievement, by making the resources available to those accountable and responsible for managing risk.

#### **4. Risk Registers**

4.1 In 2012/13, Merton CCG will continue to use the *4risk™ - Risk Management Software* system until there is a confirmation about commissioning support for risk management.

4.2 The *4risk™ - Risk Management Software* is a commissioned risk management software solution that is currently used by the NHS SWL cluster and by each of the constituent borough units for maintaining risk registers and Board Assurance Framework. The software allows for a consistent 'live' risk management process as well as allowing risk owners to be responsible for the management and updating of their risks.

4.3 *4risk™* provides the ability to monitor risk management performance through multiple reporting options, including profiling of the organisation's overall risk exposure, therefore enabling measurement against organisation risk appetite or strategic objectives.

4.4 The current Sutton and Merton Borough Team risk register is under review during transition to the CCG working in hard shadow and is therefore not in the public domain. It will be tabled at the meeting for members of the governing body to refer to as an example of a register derived from *4risk™*.

#### **5. Recommendation**

5.1 The Merton Clinical Commissioning Group Governing Body is requested to note the CCG's approach to risk management in 2012/13.

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**Date:** 19 September 2012