



## **PERTH AND KINROSS INTEGRATION JOINT BOARD**

### **AUDIT & PERFORMANCE COMMITTEE**

**26 SEPTEMBER 2022**

### **STRATEGIC RISK MANAGEMENT UPDATE**

**Report by Chief Officer (G/22/142)**

#### **PURPOSE OF REPORT**

The purpose of this report is to:

- Provide an update on the Integration Joint Board (IJB) Strategic Risk Register;
- Provide an update on the progress of the improvement actions being taken to improve the overall control environment and further mitigate the risks;
- To update on new or emerging risks and material changes to existing risks.

#### **1. BACKGROUND**

- 1.1 As a key part of its governance process, the Strategic Risk Register examines the risks that impact on the IJB's ability to deliver its Strategic Commissioning Plan. The Audit and Performance Committee has delegated responsibility from the IJB for reviewing the adequacy and effectiveness of the systems and process in place to manage strategic risk.
- 1.2 The Strategic Risk Register is supported by a Strategic Risk Improvement Plan. This has been developed to improve either the range of controls in place or to improve the effectiveness of existing controls.
- 1.3 Perth & Kinross Health and Social Care Partnership's Executive Management Team (EMT) routinely monitors, reviews and provides a balanced assessment of the nature and extent of the strategic risks to which the IJB is exposed in pursuit of its strategic objectives. As part of this EMT regularly review Operational Risks across PKHSCP to determine whether escalation is required to Strategic Risk level. This includes Clinical and Care Risks.
- 1.4 This monitoring process, which provides reasonable assurance to the IJB that there are appropriate control procedures in place, is detailed at appendix 4.

## 2. ASSESSMENT

2.1 Having reviewed progress against the implementation of improvement actions, considered progress against audit recommendations, consulted risk owners and reviewed partnership operational risks, the strategic risks have been assessed and amended as set out below:

- SR03 Safe Working has been merged with SR14 Partnership Premises Risk;
- SR09 Leadership Team Capacity has decreased from a red risk to amber;
- SR10 Corporate Support has been archived as this is now no longer considered a risk to the strategic objectives of the IJB. Increased capacity to support performance and business improvement is now either in place or actively being recruited.
- SR13 Inpatient Mental Health Services has decreased from a red risk to amber.

2.2 Table 1 below provides the justification for movements in scores.

2.3 A summary of the current strategic risk register is attached at Appendix 1.

**Table 1**

No.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
1	SR01 Financial Resources	5	4	20	<p>The Scottish Government (SG) has outlined the seriousness of the financial gap facing NHS Boards and the SG for 2022/23. The longer-term outlook appears even more challenging with efficiency savings targets potentially being proposed across the health system for the next 4 years. In parallel, Social Care budgets in 2023/24 may also be reduced. Further PKHSCP are likely to have significant additional inflationary pressures. It is therefore almost certain that the current gap outlined in the Indicative 2023/24 and 2024/25 budgets will increase substantially. Whilst a programme of savings will be now be considered, this will require to be delivered in parallel to a significant expansion of services funded by the SG in 2022/23. This creates a capacity risk to the determination and delivery of savings programmes and the HSCP may need to consider a pause in the investment plan as an alternative to savings.</p> <p>As such this risk remains a very high red risk.</p>	5	4	20	→

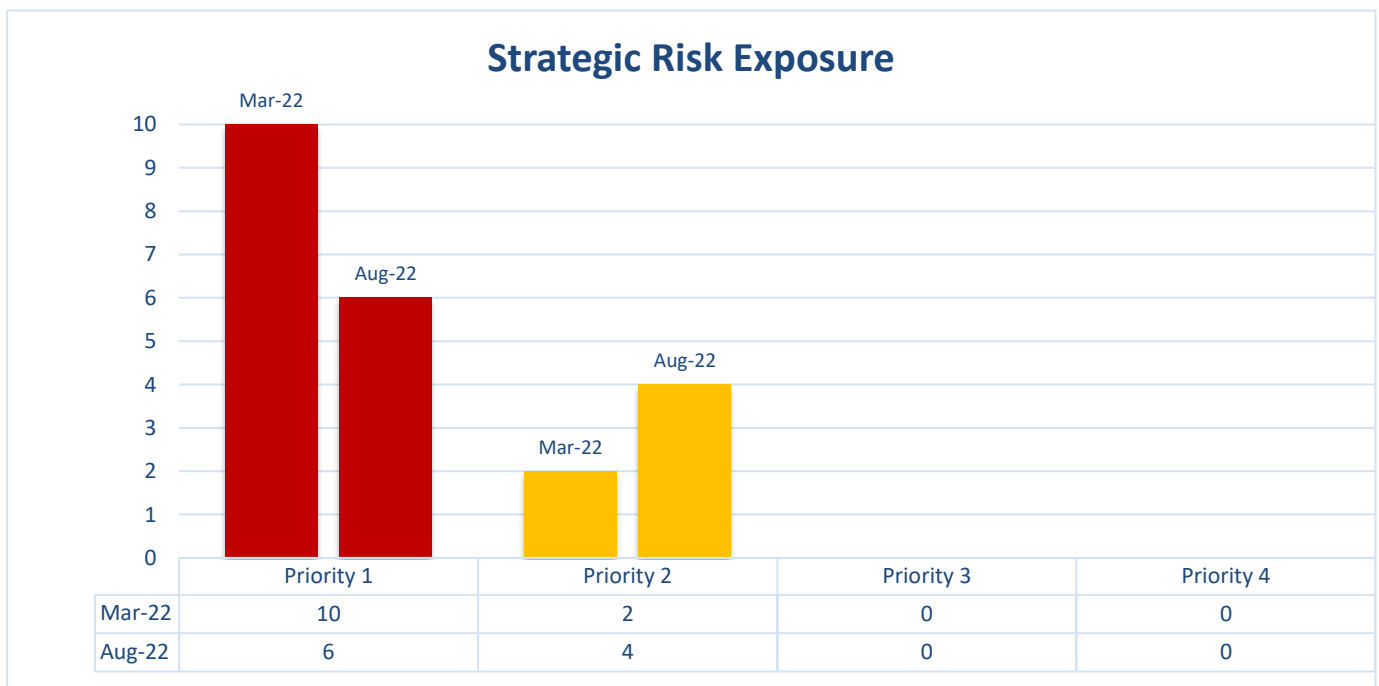
No.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
2	SR02 Workforce	5	4	20	<p>P&amp;K HSCP's 3-year workforce plan and was approved by the IJB on 27<sup>th</sup> June 2022 and submitted to the Scottish Government. The implementation of the actions in the plan are underway but will take some time to have the significant impact expected.</p> <p>This risk was raised to the maximum exposure level in April 2022 due, in part, to the occurrence of one operational risk event with Pitlochry Community Hospital (PCH) becoming non-operational. PCH is now operational with 9 beds available however, the significant workforce challenges which still exist mean that the risk remains at its highest level.</p>	5	5	25	↑
4	SR04 Sustainable Capacity and Flow	5	4	20	<p>This risk was increased to the maximum level in April 2022. This was partly due to delayed discharge challenges impacting on capacity and flow. This is a Tayside and nationwide position with high level strategic discussions on improvement actions ongoing.</p> <p>However, the Strategic Delivery Plan for Older Peoples Services has now been approved by the IJB and is being implemented. This will, in time, address issues that demographic growth presents and ensure capacity across the system is sufficiently robust in a sustainable manner.</p> <p>Care at Home capacity has a direct impact on capacity and flow. The review of Care at Home provision is a key action on the Older People Strategic Delivery Plan and the key improvement action to mitigate this risk. The long standing and existing Care at Home model of delivery is no longer fully fit for purpose and it is essential we radically rethink how we deliver Care at Home within Perth and Kinross. The improvement action to produce and implement a revised model of delivery for Care at Home has a target date of the end of October 2022 and remains on track.</p> <p>There is no change to risk exposure at this time.</p>	5	5	25	↑
5	SR05 Sustainable Digital Solutions	4	3	12	<p>The Steering Group and Strategy Group are working well and directing the need for change as expected.</p> <p>Regular quarterly reporting from the Digital/TEC Steering Group to EMT is in the planning stage with the forward plan for strategies, including Digital/TEC, under development.</p>	4	3	12	→

No.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
					Two of the improvement actions planned to mitigate this risk concern engagement with service users and staff. This has been progressed however no change has been made to risk score at present whilst these improvement actions are incomplete.				
6	SR06 Viability of External Providers	4	4	16	<p>It is becoming progressively more challenging to meet the increasing demand for support while using existing models of support. The Care at Home Resiliency project has been working to address key challenges around delivering social care in respect rurality, recruitment, and flexibility. Covid has further increased demand for reablement support and Care at Home. Due to this increase in demand and the complexity of cases, there has been an increase in unmet need.</p> <p>The review of Care at Home provision is a key action on the Older People Strategic Delivery Plan and is the key improvement action to mitigate this risk. Operationally, a range of mitigating approaches are being used to respond to the increase in demand. As such, the probability of this risk occurring was increased to 5 by EMT in June 2022.</p>	4	5	20	↑
7	SR08 Widening Health Inequalities	3	4	12	<p>This risk and associated improvement actions is scheduled to be updated so as to address our legal obligations under the Equality Act (2010).</p> <p>As such there has been no change to this risk whilst this work progresses. However an EMT workshop is planned to reconsider the risk and the actions required.</p>	3	4	12	→
8	SR09 Leadership Team Capacity	4	4	16	This risk was reduced from red to amber in March 2022 with the permanent appointment of a new Chief Officer. Improvement actions are being progressed, however both actions remain in a red RAG status at the moment.	4	3	12	↓
10	SR11 Primary Care	4	4	16	<p>The 'Sustainability of Primary Care Services' Fife, Tayside and Forth Valley Internal Audit report, jointly commissioned by Angus IJB, P&amp;K IJB and NHST, is currently in draft and will be considered by EMT on 1 September 2022. The draft report states that '<i>...there is a requirement to ensure consistency and eliminate duplication of effort in the management of the risk</i>'. As such, a Tayside wide risk workshop in relation to this is being held on 7 September 2022.</p> <p>As such, there is no change to this risk meantime.</p>	4	4	16	→

No.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
11	SR13 Inpatient Mental Health Services	4	4	16	The review of the Integration Scheme has concluded and approved by statutory partners and provides clarity on the governance arrangements. As such the likelihood of this risk occurring decreased to 3, reducing this risk to amber status.  PKHSCP recently hosted a Tayside wide workshop in relation to the collective management of Mental Health risks. This work is ongoing and it is anticipated that this will inform a reframing of this strategic risk.	4	3	12	←
12	SR14 Partnership Premises	4	4	16	This risk remains at a very high level. However, as noted in section 3.2 below, 2 new improvement actions have been added replacing the existing 1 action. Whilst these new actions are designed to mitigate the issue in the medium/longer term, immediate issues such as challenges with IDART and CCATs accommodation are being addressed with solutions sought in conjunction with statutory partners.	4	4	16	→
<div> <div>→ No change in risk exposure exposure</div> <div>↑ Increase in risk exposure</div> <div>↓ Decrease in risk exposure</div> </div>									

2.4 Table 2 below shows the Strategic Risk Exposure at the last Committee meeting and today's meeting:

**Table 2**



### 3. STRATEGIC RISK IMPROVEMENT ACTION PLAN

- 3.1 The Strategic Risk Improvement Plan sets out the actions being taken to improve the overall control environment and where possible reduce current levels of risk exposure. This is updated regularly by EMT and is attached at Appendix 2.
- 3.2 Since the Improvement Plan was last presented to the Audit and Performance Committee, the following significant changes have been made:

#### New Improvement Actions Added:

Ref	Risk	Ref	Improvement Action Description
1	SR01 Financial Resources	1d	In partnership with NHS Tayside and the 3 IJB's, develop an affordable long term financial framework for Mental Health functions across Tayside including a jointly agreed approach to bridging finance.
2	SR01 Financial Resources	1e	Review the role of medicines management governance in Tayside and the role of HSCP's/IJB's therein to ensure that new SMC approved medicines for Primary Care are not approved locally without the necessary budgetary provision being agreed.
3	SR01 Financial Resources	1f	Development of 3 Year Strategic Delivery and Financial Plan for 2022/23:2024/25. This will be developed across priority areas: Primary Care and Prescribing. This will include the review of current approved plans, analysis of Covid-19 impact, remobilisation requirements and the inclusion of Scottish Government priorities and any associated additional funding.
4	SR02 Workforce	2c	Production and implementation of Older People's Strategic Delivery Plan 2022:2025 which will set out significant investment in additional staff to respond to increases in demand.
5	SR06 Viability of External Providers	6b	Production and implementation of Older People's Strategic Delivery Plan which will include a range of improvements and investment which will seek to enhance the viability of external providers.
6	SR14 Partnership Premises	14b	Ensure PKHSCP's premises needs are clearly identified within a Partnership accommodation schedule.
7	SR14 Partnership Premises	14c	Ensure PKHSCP's premises risk and accommodation needs are appropriately communicated and considered by NHS Tayside and Perth and Kinross Council.

#### Actions marked as Complete and Removed:

Ref	Risk	Ref	Improvement Action Description
8	SR01 Financial Resources	1b	Development of 3 Year Strategic Delivery and Financial Plan for 2022/23:2024/25. This will be developed across 5 priority areas: Older People, Mental Health, Drug and Alcohol and Learning Disabilities. This will include the review of current approved plans, analysis of Covid-19 impact, remobilisation requirements and the inclusion of Scottish Government priorities and any associated additional funding.
9	SR01 Financial Resources	1e	Review the role of medicines management governance in Tayside and the role of HSCP's/IJB's therein to ensure that new SMC approved medicines for Primary Care are not approved locally without the necessary budgetary provision being agreed.

Ref	Risk	Ref	Improvement Action Description
10	SR02 – Workforce	2a	Development of 3 year 2022/25 PKHSCP Workforce Plan
11	SR02 Workforce	2c	Production and implementation of Older People's Strategic Delivery Plan 2022:2025 which will set out significant investment in additional staff to respond to increases in demand.
12	SR04 Sustainable Capacity and Flow	4a	Development of 3 Year Strategic Delivery Plan for Older People's Services. This will seek to address issues that demographic growth presents and ensure capacity across the system is sufficiently robust.
13	SR06 Viability of External Providers	6b	Production and implementation of Older People's Strategic Delivery Plan 2022:2025 which will set out significant investment in additional staff to respond to increases in demand.
14	SR13 – Inpatient Mental Health Services	13a	Review of Integration Scheme

#### **Actions Removed:**

Ref	Risk	Ref	Improvement Action Description
16	SR14 Partnership Premises	14a	Produce a Perth & Kinross HSCP Accommodation Strategy to address infrastructure needs across the organisation for the short, medium and long term to ensure that capacity and demand can be managed safely and in accordance with the achievement of our Strategic ambitions

## **4. EMERGENT STRATEGIC RISKS**

4.1 The Executive Management Team, as part of their regular review of strategic risk, has identified the following potential risks to the strategic ambitions of the IJB:

- National Care Service - The legislation published on the establishment of the National Care Service sets out plans to introduce Local Care Boards with the abolition of Integration Joint Boards. The uncertainty associated with this fundamental change need to be considered along with mitigating action that can be taken at this early stage.
- Scottish Covid-19 Inquiry – EMT will consider what the capacity implications of this will be on our strategic aims and propose mitigating actions. EMT will progress the above emergent potential strategic risks with an update being provided to the Audit and Performance Committee in due course.

## **5. NEXT STEPS**

The risk scores, controls and improvement actions for each of the risks will continue to be reviewed and updated by risk owners, supporting forums and the Executive Management Team.

## 6. RECOMMENDATIONS

The Audit and Performance Committee is asked to:

- i) Note the IJB's Strategic Risk Register and Strategic Risk Improvement Plan.
- ii) Note the current position of the IJB's strategic risk exposure scores as at section 2.

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### Appendices

- Appendix 1 – Perth & Kinross IJB Strategic Risk Register Summary
- Appendix 2 – Strategic Risk Improvement Action Plan
- Appendix 3 – Strategic Risk Register Matrix
- Appendix 4 – Reviewing and Reporting Framework