



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

28 November 2022

STRATEGIC RISK MANAGEMENT UPDATE

Report by Chief Officer
(Report No G/22/168)

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 risks; and
- To update on new or emerging risks and material changes to existing risks.

1. RECOMMENDATIONS

The Audit and Performance Committee is asked to:

- i) Approve the IJB's Strategic Risk Register and Strategic Risk Improvement Plan; and
- ii) Note the current position of the IJB's strategic risk exposure scores as at section 3.

2. BACKGROUND

- 2.1 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.

- 2.2 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.
- 2.3 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 Perth and Kinross Health and Social Partnership (PKHSCP) to determine whether escalation is required to Strategic Risk level. This includes Clinical and Care Risks.

3. ASSESSMENT

- 3.1 Having reviewed progress against the implementation of improvement actions, considered our partner's operational risks and any impact on the IJB's Strategic Objectives and following consultation with risk owners, the risk score for SR01 Financial Resources has been increased as well as the re-escalation of a strategic risk as detailed below:

Re-Escalation of Corporate Support Risk

- 3.1.1 The strategic risk concerning Corporate Support was archived by EMT in August 2022. This longstanding risk was first added to the strategic risk register in October 2020 following the outcome of the joint inspection and a number of internal and external audit recommendations.
 - 3.1.2 EMT were informed in their strategic risk report in August 2022 that increased corporate capacity to support performance, business improvement and workforce planning was either in place, or being actively recruited to, and it was felt this no longer presented a risk to the strategic aims of the IJB.
 - 3.1.3 However, there are indications from our parent bodies and Scottish Government that funding to the IJB is likely to be significantly reduced as a result of the significant budget challenges they are facing. This is outlined in SR01 Financial Resources. It is important that the HSCP reconsiders the financial implications of continuing to recruit to new and additional posts within the partnership that are not associated with front line delivery. This includes corporate support functions and there has been a decision to pause recruitment while there is further consideration of how the roles can be fulfilled in a different way while the budget settlement for the IJB from 2023/4 is finalised.
- 3.2 Table 1 below sets out current risk scores and provides the justification for the no change having been made since they were last reported. A summary of the full strategic risk register is attached at Appendix 1.

Table 1

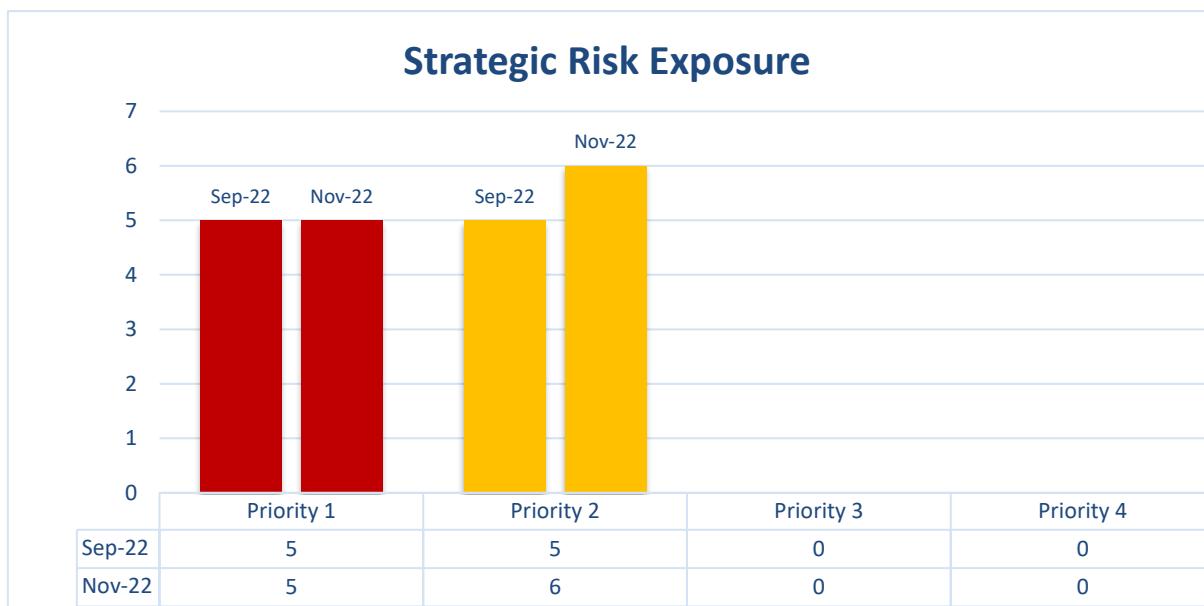
Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
1	SR01 Financial Resources	5	4	20	<p>The scale of budget pressures forecast for 2023/24 for pay and prices is well in excess of the indicative plan and difficult decisions lie ahead around potential contraction of existing strategic plans.</p> <p>Both partner bodies are facing significant financial challenges. Further the Scottish Government itself has indicated significant financial pressures and a number of actions are already being taken by them to reduce funding to HSCPs in 2022/23 including the proposed claw back of COVID Reserves; reductions in Primary Care Improvement Funding, the Alcohol and Drug Partnership, and a clear indication of funding cuts to Mental Health Services.</p> <p>The risk exposure therefore has increased to the maximum level of 25.</p>	5	4	25	↗
2	SR02 Workforce	5	5	25	<p>P&K HSCP's 3-year workforce plan was approved by PKIJB on 27th June 2022 and was subsequently 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>No change to the risk score which remains at the highest level.</p>	5	5	25	→
3	SR04 Sustainable Capacity and Flow	5	5	25	<p>The Strategic Delivery Plan for Older People is now 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 the Care at Home delivery model is a key action on the Older People Strategic Delivery Plan and the key improvement action to mitigate this risk. This improvement action is anticipated to begin to have an impact on capacity and flow by the end of November when new teams are implemented and anticipated to be able to absorb some of the unmet need currently being experienced.</p>	5	5	25	→

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
					There is no change to risk exposure at this time.				
4	SR05 Sustainable Digital Solutions	4	3	12	<p>The Steering Group and Strategy Group are meeting regularly and directing the need for change as expected.</p> <p>Regular quarterly reporting from the Digital/TEC Steering Group to EMT is planned with the forward plan for strategies, including Digital/TEC, under development.</p> <p>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.</p>	4	3	12	→
5	SR06 Viability of External Providers	4	5	20	<p>The review and delivery of the new Care at Home model remains in progress.</p> <p>The cost of living crisis is now the biggest risk to the viability of our external providers with large increases in expenditure on utilities and a reduction in Scottish Government funding. Temporary measures are being considered to try to minimise this but many influencing factors are outwith our control.</p> <p>There is no change to the risk score.</p>	4	5	20	→
6	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 is progresses. However an EMT workshop is planned to reconsider the risk and the actions required.</p>	3	4	12	→
7	SR09 Leadership Team Capacity	4	3	12	The position on this risk has not changed.	4	3	12	→
8	SR10 Corporate Support	-	-	-	Re-escalation of this risk, archived in August 2022, as detailed above in section 3.	4	3	12	-
9	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&K IJB and NHST, is expected to be considered by P&K's Audit and Performance Committee in November 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>'.</p> <p>Further work on the strategic risk is anticipated following this audit outcome.</p> <p>The key improvement action to mitigate this risk is the production of a Primary Care Strategic Delivery Plan 2023-26. A draft version of this was considered at the IJB meeting held on 26 October 2022.</p>	4	4	16	→

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
					There is no change to this risk meantime				
10	SR13 Inpatient Mental Health Services	4	3	12	PKHSCP hosted a Tayside wide workshop in relation to the collective management of Mental Health risks. The work from this is ongoing and it is anticipated that this will inform a reframing of this strategic risk.	4	3	12	→
11	SR14 Partnership Premises	4	3	12	The position on this risk has not changed.	4	3	12	→
		→ No change in risk exposure			↑ Increase in risk exposure		↓ Decrease in risk exposure		

3.3 Escalation of Operational Risks

- 3.4.1 Operational risks concerning are managed by NHS Tayside and Perth & Kinross Council as the employing bodies delivering services. However, a robust process requires to be in place for systematic review and appropriate escalation of such risks insofar as they may impact on delivery of the IJB's strategic objectives.
- 3.4.2 This process is achieved through EMT's regular review of PKHSCP's Clinical and Care Governance assurance reports which are submitted to our partner bodies. These reports identify significant operational risks and any mitigating actions being taken by partner bodies.
- 3.4.3 Since the last Audit and Performance Committee meeting held on 26th September 2022, one formal report from PKHSCP to NHS Tayside's Care Governance Committee has been reviewed by EMT. This was an exception report considered by NHS Tayside on 6th October 2022 and presented an emerging issue in relation to the Prison Healthcare Service being adversely affected by ongoing IT issues affecting Pharmacy services. The report concluded by recommending that this issue is captured as a service risk. This risk will be considered for any strategic significance in future strategic risk reports to the Audit and Performance Committee. There is therefore no further consideration required of risk scores from the review of operational risk.
- 3.5 Table 2 below shows the Strategic Risk Exposure at the last Committee meeting and today's meeting. The movement relates to the re-escalation of the Corporate Support risk.

Table 2

3.6 The full current strategic risk register is attached at Appendix 1.

4 STRATEGIC RISK IMPROVEMENT ACTION PLAN

4.1 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.

4.2 Since the Improvement Plan was last presented to the Audit and Performance Committee, the following significant changes have been made:

Table 3

Table Ref	Risk Reference	Improvement Action Number	Improvement Action Description	Narrative
1	SR01 Financial Resources	1f	Development of 3 Year Strategic Delivery and Financial Plan for 2022/23:2024/25 for Primary Care and Prescribing.	Action removed.
2	SR01 Financial Resources	1g	Development of options for contraction of Strategic Commissioning Plan that may be required to support recurring financial balance over 2023: 2026	New action.
3	SR01 Financial Resources	1h	Development of refreshed Quality Safety and Efficiency in Prescribing (QSEP) Programme to ensure future	New action.

Table Ref	Risk Reference	Improvement Action Number	Improvement Action Description	Narrative
			growth can be offset by increased efficiency.	
4	SR04 Sustainable Capacity and Flow	4b	Produce and implement a revised preferred model of delivery for Care at Home services.	Target date amended from 31/10/22 to 30/11/22. Recruitment challenges means the target date for completion has slipped.
5	SR06 Viability of External Providers	6a	Produce and implement a revised preferred model of delivery for Care at Home services.	Target date amended from 31/10/22 to 30/11/22. Recruitment challenges means the target date for completion has slipped.
6	SR11 Primary Care	11b	Development of 3 Year Strategic Delivery Plan for 2022/23:2024/25 for Primary Care. This will also address the further implementation of wider services in support of the GMS contract.	Action narrative changed to: Development of 3 Year Strategic Delivery Plan for 2023-26 for Primary Care. This will also address the further implementation of wider services in support of the GMS contract.” Target date amended to 31/3/23.
7	SR14 Partnership Premises	14d	Production of the P&K Primary Care Strategic Delivery Plan. This has a key priority action in outcome 3 of the provision of suitable accommodation for an effective CCATS.	New action.

5. CONCLUSION

- 5.1 The position with the IJB’s strategic risk register remains static with the exception of the re-escalation of the Corporate Support risk and the increase in risk exposure score for the Financial Resources risk since last reported to the Audit and Performance Committee on 26th September 2022. The September report however demonstrated a significant improvement across strategic risks risk exposure scores reduced accordingly.
- 5.2 The Executive Management Team continues to work towards reducing the risk scores of the remaining red risks with the improvement plan being progressed and new actions identified when required.
- 5.3 Risk management continues to be a part of our efforts to improve and deliver on our strategic objectives.

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Appendices

Appendix 1 – Perth & Kinross IJB Strategic Risk Register

Appendix 2 – Strategic Risk Improvement Action Plan