Perth And Kinross Integration Joint Board

Audit & Performance Committee

11 December 2023

STRATEGIC RISK MANAGEMENT UPDATE

Report by Chief Officer
(Report No. G/23/175)

1. PURPOSE OF REPORT

1.1 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.

2. RECOMMENDATION(S)

2.1 The Audit and Performance Committee (A&PC) is asked to:

- Approve the IJB's Strategic Risk Register and Strategic Risk Improvement Plan.

3. BACKGROUND

3.1 The Audit and Performance Committee has delegated responsibility from the IJB for reviewing the adequacy and effectiveness of the systems and processes in place to manage strategic risk.

3.2 The Strategic Risk Register (SRR) is used to record identified risks which may impact on the IJBs ability to deliver its strategic objectives. The SRR is supported by a Strategic Risk Improvement Plan which has been developed

to improve either the range of controls in place or to improve the effectiveness of existing controls.

3.3 Perth and Kinross HSCP's Executive Management Team (EMT) routinely considers and reviews the IJB's strategic risks to make a collective and balanced assessment of the nature, and extent, of the key risks to which the IJB is exposed and is willing to take in pursuit of its objectives. This includes a review of operational and clinical care risks to determine the extent to which they may have a strategic impact on the IJB.

4. ASSESSMENT

4.1 The EMT's recent reviews of strategic risks resulted in a number of amendments. These are detailed below:

- The probability of risk SR01 (Financial Resources) occurring has increased to 5 meaning the new risk score is 25. This increases the risk exposure to the maximum level and is now a red strategic risk.

- The probability of risk SR05 (Sustainable Digital Solutions) occurring has been increased to 3 meaning the new risk score would be 12. This is now increased to an amber strategic risk from a yellow risk.

- The probability of risk SR06 (Viability of Commissioned Providers) occurring has been reduced to 3 meaning the new risk score is 12. This would mean this now reduces to an amber strategic risk from red.

- The probability of risk SR09 (Leadership Team Capacity) occurring has been reduced to 2 meaning the new risk score would be 8. This risk has reduced from an amber to a yellow strategic risk.

- The probability of SR14 (Partnership Premises) occurring has been reduced from 5 to 4 reducing the risk exposure to 16 from 20. This remains a very high red strategic risk.

4.2 A summary of the full strategic risk register is attached at Appendix 1. The Strategic Risk Rating Matrix showing movement of risk exposure over the last 12 months is presented at Appendix 2.

4.3 Table 1 below sets out current and previous risk scores following EMT review, provides justification for changes, and includes movement in risk scores since last reported to the A&PC.
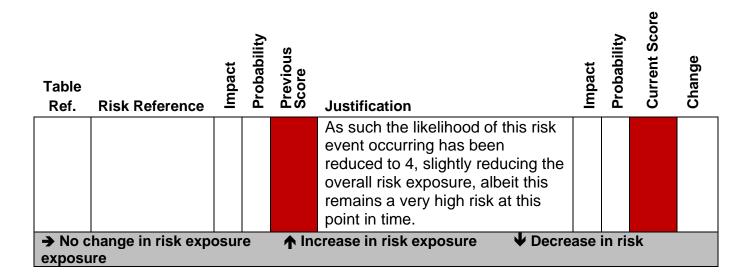
Table 1

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
1	SR01 Financial Resources	5	3	15	The latest financial projections indicate the IJB will fall below IJB policy reserve level in this financial year. The predicted financial pressures next year, due to increasing need and costs without a significant increase in funding, means that the IJB will need to consider a review of Strategic Delivery Plan actions and reductions in overall expenditure to ensure the budget can be balanced. The risk exposure level has therefore increased to 25. This would now be a red strategic risk.	5	5	25	⬆
2	SR02 Workforce	5	4	20	The ongoing implementation of the 3-year workforce plan means that the recruitment position continues to improve for social carers, nurses and Allied Health Professionals. This has meant less reliance on the use of agency staffing. In relation to the improvement action for a dedicated post to support the implementation of the plan - an appointment has been made and a start date is awaited. The application made by P&K HSCP to participate in a Scottish Government pilot concerning international recruitment for social care staff has been accepted and is being progressed. The first cohort of staff is expected to be recruited to soon. Despite the positive reporting above, the risk exposure is remains static at this time.	5	4	20	➡

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
3	SR04 Sustainable Capacity and Flow	5	3	15	PKHSCP'S Winter plan has been approved by the IJB. This winter plan, which was developed in collaboration with the three Tayside IJBs and NHST, focuses on maintaining people at home wherever possible throughout the winter and optimising flow through our hospitals to ensure there is enough capacity to provide inpatient care for acutely unwell people as required. The plan allows surge beds in Tay ward to be maintained at increased levels and expands and extends the Early Discharge Project until March 2024. The use of interim placements has been reduced significantly, and these will now be used only in exceptional circumstances. The existing controls for this risk are now deemed to be working effectively and with 2 new improvement actions. Performance in relation to comparators and national position continues to trend positively however, local Tayside targets remain extremely challenging and P&K HSCP has been consistently assessed as red. The risk exposure level remains at 15 however this is a dynamic situation.	5	3	15	→
4	SR05 Sustainable Digital Solutions	4	2	8	There is a risk we don't have a digital solution to efficiently manage scheduling for care at home. This will impact on our transformation project. The status of this risk has been escalated back to an amber position.	4	3	12	↑

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
					This is due to technical difficulties experienced in implementing the new auto-scheduling system which is designed to support increased efficiencies and tackle unmet need. It is now anticipated that the system will be available from April 2024. Further discussions are required with Perth and Kinross Council IT to explore the possibility of earlier implementation.				
5	SR06 Viability of Commissioned Providers	4	4	16	International recruitment is proving successful for those providers using this method of recruitment and has allowed one provider to expand their coverage into another locality and increasing overall capacity. The Early Discharge Project has increased capacity and is alleviating pressures across the system. New Commissioning approaches and person-centred job adverts are working well. The impact of Covid 19 on the Care Home sector this winter, at this stage, appears more manageable than previous years. This is providing some stability to the market. As such, the probability of this risk event occurring has been reduced to 3, meaning this strategic risk would now be an amber status.	4	3	12	↓
6	SR08 Widening Health Inequalities	3	4	12	As part of the refresh of P&K IJB's Strategic Commissioning Plan, a Joint Strategic Needs Assessment (JSNA) has been completed. This JSNA seeks to provide a clear understanding of	3	4	12	→

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
					the health and social care needs of our local population, bringing together qualitative and quantitative data on the health and care needs of the adult population of Perth & Kinross, to create a picture of service needs now and, in the future, to support decision-making and thus reducing health inequalities.				
					Good progress continues to be made with consultation and engagement on the new Strategic Commissioning Plan with a progress update having been considered by the IJB in November 2023 and a draft expected in February 2024.				
					The Director of Public Health has published an annual report for 2022/23 and this will be considered at IJB on 29 November 2023.				
					There is no change to the risk score at this time.				
7	SR09 Leadership Team Capacity	4	3	12	The exposure position on this risk is reduced. Work to stabilise leadership through a new and permanent integrated management structure has been taken forward and very good progress has been made with the parent bodies. A proposed new integrated leadership structure has been shared with NHS Tayside Executive Leadership Team as well as Perth & Kinross Council. A report which outlines the final phase of the leadership review taken forward by the Council's Chief Executive was considered	4	2	8	↓

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
					by the Finance & Resources Committee on 22 November 2023 and the IJB will receive a private briefing on 29 November 2023. Organisational change processes have been followed with two Transition Team Meetings held on 4 October and 17 November, new job descriptions finalised and once these have been evaluated arrangements to populate the new structure will be taken forward. HR teams in NHS Tayside and Perth & Kinross Council will support the Chief Officer to take this forward.				
8	SR11 Primary Care	4	4	16	Progress on the Tayside Primary Care Strategy 2024-2029 was considered at the IJB on 29 November 2023. The development of this strategy, which aims to support the delivery of excellent, high quality, accessible and sustainable primary care services for the population of Tayside, has been added as an improvement action for this risk. The development of a Tayside wide Primary Care risk is underway so there is no change to this risk score at this time.	4	4	16	→
10	SR14 Partnership Premises	4	5	20	Progress has been made on options for a series of moves which will result in more appropriate premises and locations for a number of HSCP teams which is at the centre of this risk. This includes moves for IDART, CCATS and CMHT (Perth).	4	4	16	↓

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
				■	As such the likelihood of this risk event occurring has been reduced to 4, slightly reducing the overall risk exposure, albeit this remains a very high risk at this point in time.			■	

→ No change in risk exposure	↑ Increase in risk exposure	↓ Decrease in risk exposure

4.4 Escalation of Operational Risks

4.4.1 Operational risks are managed by NHS Tayside and Perth & Kinross Council as the employing bodies delivering health and social care services. However, a robust process is in place for systematic review and appropriate escalation of such risks insofar as they may impact on delivery of Perth and Kinross IJB's strategic objectives.

4.4.2 This process is achieved through the EMT's regular review of PKHSCP's Clinical and Care Governance assurance reports which are submitted to PKIJB's partner bodies. These reports identify significant operational risks and any mitigating actions being taken by partner bodies.

4.4.3 Since the last full Audit and Performance Committee meeting held on 18 September 2023, NHS Tayside's Care Governance Committee (CGC) have received one exception report from PKHSCP and Perth and Kinross Council's Scrutiny and Performance Committee (SPC) have received one Clinical and Care Governance Assurance report from PKHSCP. The CGC considered this on 5 October 2023 and the SPC on 13 September 2023.

4.4.4 Having reviewed the contents of these latest Clinical and Care Governance assurance and exception reports, the EMT have considered that no further escalation of operational risks is required.

4.4.5 Table 2 below shows the movement in Strategic Risk Exposure since the last time strategic risk was reported to the A&PC.

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

Table 2

Strategic Risk Exposure December 2023

	Priority 1	Priority 2	Priority 3	Priority 4
Sep 23	4	4	1	0
Dec 23	4	4	1	0

5.   STRATEGIC RISK IMPROVEMENT ACTION PLAN

5.1   The Strategic Risk Improvement Plan (Appendix 3) sets out the actions being taken to improve the overall control environment and where possible reduce current levels of risk exposure. Given the risk environment has changed over time it remains our intention to review the action plan as we move forward so as to ensure that all actions are appropriately aligned and that they are effective in seeking to control exposure.

5.2   Since the Improvement Plan was last presented to the Audit and Performance Committee in September 2023, 10 new improvement actions have been added as set out in table 3 below:

Table 3

Ref	Strategic Risk	Ref	Improvement Action Description	Narrative
1	SR01 Financial Resources	1i	Implementation and delivery of transformation programmes at pace with accountability processes in place to ensure that programmes can be delivered and have a clear trajectory and description of impact.	New improvement action. Status – Green, target date – 31/3/24.
2	SR02 Workforce	2e	Establishment of a robust overseas recruitment campaign.	New improvement action proposed. Status – Green, target date – 31/3/24.
3	SR04 Sustainable Capacity and Flow	4f	Recruitment of interim Service Manager for MFE/Discharge Planning	New improvement action proposed. Status – Green, target date – 30/11/23
4		4g	Implementation of the PKHSCP Winter Plan for 2023/24	New improvement action proposed. Status – Green, target date – 31/3/24.

Ref	Strategic Risk	Ref	Improvement Action Description	Narrative
5	SR05 Sustainable Digital Solutions	5f	Deployment and Implementation of new automated scheduling system to increase efficiency and significantly reduce unmet need.	New improvement action proposed. Status – Red, target date – 31/1/24.
6	SR11 Primary Care	11c	Implementation of approved Perth & Kinross Primary Care Premises Strategy 2023-28.	New improvement action proposed. Status – Green, target date – 31/3/28.
7		11d	Implementation of approved Perth & Kinross Primary Care 3-year Strategic Delivery Plan 2023-26 for Primary Care.	New improvement action proposed. Status – Green, target date – 31/3/26.
8		11e	Development of the Tayside Primary Care Strategy 2024-2029 which has been jointly commissioned by the Chief Officer of Angus Health and Social Care Partnership and NHS Tayside Medical Director to support the delivery of excellent, high quality, accessible and sustainable primary care services for the population of Tayside.	New improvement action proposed. Status – Green, target date – 28/2/24.
9		11f	Implementation of the Tayside Primary Care Strategy to support the delivery of excellent, high quality, accessible and sustainable primary care services for the population of Tayside.	New improvement action proposed. Status – Green, target date – 31/12/29.
10	SR14 Partnership Premises	14f	Implementation of approved Perth & Kinross Primary Care Premises Strategy 2023-28.	New improvement action proposed. Status – Green, target date – 31/3/28.

5.3   Table 4 below sets out the status of the risk improvement plan actions with a comparison against the previous status reported to the Audit and Performance committee. There has been a significant improvement in status of the actions with 16 actions now deemed to be at green status, 2 less at red status with 2 further actions now deemed to be complete (Blue).

Table 4

**Strategic Risk Improvement Actions
December 2023**

	Red	Amber	Yellow	Green	Blue
Sept-23	10	2	0	8	3
Dec-23	8	2	0	16	2

6. CONCLUSION

6.1 Despite a number of changes in the IJB's risk scores, the overall exposure level remains static since last reported to the Audit and Performance Committee in September 2023.

6.2 The Executive Management Team continues to work towards reducing risk exposure with improvement actions identified within the action plan.

6.3 Risk management continues to be an integral part of our governance procedures which assist the IJB to deliver on its strategic objectives.

Author(s)

Name	Designation	Contact Details
Christopher Jolly	Service Manager (Business Planning and Performance)	christopher.jolly@nhs.scot
Phil Jerrard	Governance and Risk Coordinator	phil.jerrard@nhs.scot

Appendices
Appendix 1 – Perth & Kinross IJB Strategic Risk Register Summary
Appendix 2 – Strategic Risk Rating Matrix
Appendix 3 – Strategic Risk Improvement Action Plan