



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

### **AUDIT & PERFORMANCE COMMITTEE**

**13 MARCH 2023**

### **STRATEGIC RISK MANAGEMENT UPDATE**

**Report by Chief Officer  
(Report No. G/23/21)**

#### **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 records the identified risks that may 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 processes 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 PKHSCP'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 an impact on the IJB's strategic aims and whether they need to be escalated to a strategic risk level.

### **3. ASSESSMENT**

- 3.1 The EMT's most recent review of strategic risks resulted in a number of amendments. These are detailed below:
- SR09 Leadership Team – A revision to the risk has now been included on the risk register. There are no gaps in the Health and Social Care Partnership's (HSCP) leadership team with all posts having been recruited to and in place. However, two posts (2FTE) are filled on an interim basis. There is a need to establish a new permanent and integrated senior management structure and ensure stability in the leadership team.  
The risk description for this revised risk is:  
"Without a new permanent and integrated senior management team there is a risk of instability in leadership within the HSCP "
  - SR10 Corporate Support – this risk has been archived. Elements of this risk have been incorporated into the strategic risk SR02 Workforce.  
The risk description for strategic risk SR02 Workforce is now as below:  
"As a result of our ageing workforce, difficulties in recruiting and retaining sufficient suitably skilled and experienced staff, there is a risk that the Partnership will be unable to maintain its workforce appropriately, leading to unsustainable services and ability to deliver key corporate support functions."
  - SR14 Partnership Premises – the likelihood of this risk event occurring has been increased to 4 meaning that the risk score is now 16, raising this to a Red strategic risk.
- 3.2 Table 1 below sets out current risk scores and provides the justification for the above changes which have been made since strategic risks were last reported to this Committee. 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	5	25	At this stage in the financial year the risk for 2022/23 is minimal. Due to the level of uncertainty around pay, funding and inflation, the financial risk for 23/24 remains significant.	5	5	25	→
2	SR02 Workforce	5	5	25	Governance arrangements are in place to support the monitoring and implementation of P&K HSCP's 3-year workforce plan. Elements from the, now archived, Corporate Support strategic risk have been more appropriately encompassed within this workforce risk. There is no change to the risk score which remains at the maximum exposure level.	5	5	25	→
3	SR04 Sustainable Capacity and Flow	5	5	25	Operational mitigating measures are in place to support capacity and flow and manage winter pressures. In addition, a new service has been introduced focussing on 'frailty at the front door' working with the Home Assessment and Reablement Team enhancing Care at Home; additional contracted social care services and increased interim care placements have also been introduced. However, NHS Tayside has increased the bed base within Perth Royal Infirmary from December by 22 and this is increasing the number of people who have a care and support need who experience delay. Capacity and Flow is not yet in a sustainable position so there is no change to the risk score.	5	5	25	→
4	SR05 Sustainable Digital Solutions	4	3	12	There is no change to this risk.	4	3	12	→
5	SR06 Viability of External Providers	4	5	20	This risk is still unstable with significant challenges remaining in relation to recruitment and retention within our external providers. No change to the risk score.	4	5	20	→
6	SR08	3	4	12	This risk and associated improvement actions is scheduled to be updated to address our legal	3	4	12	→

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
	Widening Health Inequalities				obligations under the Equality Act (2010).				
7	SR09 Leadership Team Capacity	4	3	12	This risk has been updated due to the nature of the risk significantly changing as there is no gap in leadership capacity. However, there is a need to stabilise leadership through a new and permanent integrated management structure. The risk rating has not changed.	4	3	12	→
8	SR10 Corporate Support	4	3	12	This risk has been archived. Elements of this risk have now been incorporated into the strategic risk SR02 Workforce.	-	-	-	-
9	SR11 Primary Care	4	4	16	The 'Sustainability of Primary Care Services' Fife, Tayside and Forth Valley Internal Audit report, jointly commissioned by Angus IJB, P&K IJB and NHST, was considered in 'draft final' form by P&K's Audit and Performance Committee in November 2022. The final audit report has now been received and will be included on the Audit & Performance Committee agenda in March 2023. The key improvement action to mitigate this risk is the production of a Primary Care Strategic Delivery Plan 2023-26. This is on track to be considered by the IJB before the end of the financial year. There is no change to this risk meantime.	4	4	16	→
10	SR13 Inpatient Mental Health Services	4	3	12	Perth and Kinross Integration Joint Board has the lead coordinating role for strategic planning and commissioning for inpatient mental health and learning disability services. It is clear however that Dundee and Angus IJBs also hold a duty to plan and commission for this delegated function. Collaboration, across Tayside, with P&K IJB is required along with NHS Tayside to deliver on these obligations. There are further plans in 2023 to bring together NHST and the 3 IJBs in a	4	3	12	→

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change	
					workshop to determine how this will be operationalised. A workshop took place on 30 January 2023 with representation from all 3 IJBs. As Lead Partner the PKHSCP Chief Officer is working alongside executive directors and Chief Officers to streamline governance, prioritise workstreams, and deliver a detailed action plan to drive forward change and transformation. Actions are ongoing from a P&KHSCP hosted Tayside-wide workshop on the collective management of Mental Health risks. It is anticipated that this will inform a reframing of this strategic risk. No change to the risk score.					
11	SR14 Partnership Premises	4	3	12	HSCP premises needs have been submitted to statutory partners. This assists in setting out what is necessary to deliver effective HSCP services. Perth and Kinross Council continues to review its requirements for the medium/long term and the uncertainty of the outcome of this review means that the likelihood of this risk occurring has been increased to 4 meaning this risk is now a red priority 1 risk.	4	4	16	↑	
		→ No change in risk exposure			↑ Increase in risk exposure			↓ Decrease in risk exposure		

### 3.3 Escalation of Operational Risks

3.3.1 Operational risks are managed by NHS Tayside and Perth & Kinross Council as the employing bodies delivering 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.

3.3.2 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. Reporting on operational Adult Social Work and Social Care services managed by PKHSCP to Perth and Kinross Council's Scrutiny Committee is expected to commence from 26<sup>th</sup> April 2023.

- 3.3.3 Since the last Audit and Performance Committee meeting held on 28<sup>th</sup> November 2022, one formal report from PKHSCP to NHS Tayside’s Care Governance Committee (CCG) has been reviewed by EMT. That assurance report was considered by NHS Tayside on 1<sup>st</sup> December 2022 and identified 3 significant clinical and care management risks. These 3 significant risks remain unchanged since the last PKHSCP assurance report was considered by NHS Tayside’s CCG in August 2022.
- 3.3.4 Having reviewed the contents of this latest Clinical and Care Governance assurance report no further consideration is required of strategic risk scores from the review of operational risk.
- 3.4 Table 2 below shows the Strategic Risk Exposure at the last Committee meeting and at today’s meeting.

**Table 2**



- 3.5 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.

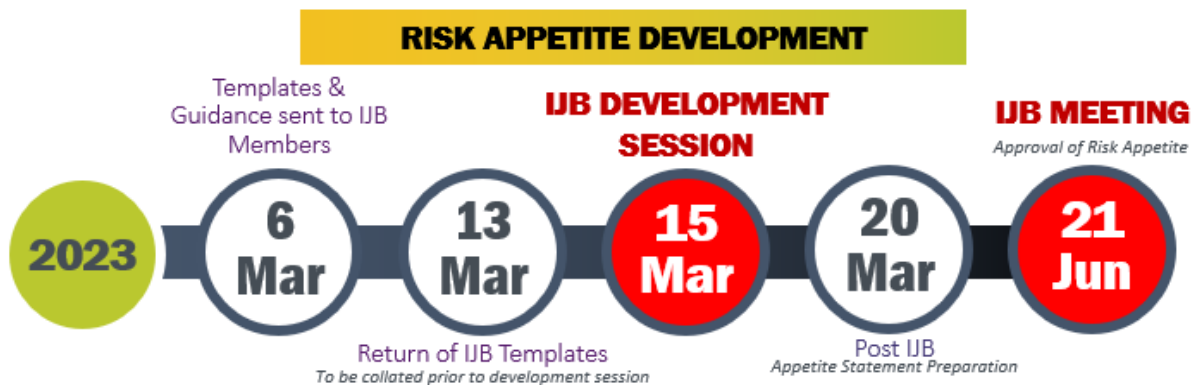
- 4.2 Since the Improvement Plan was last presented to the Audit and Performance Committee, the following significant changes have been made:

**Table 3**

Ref	Risk	Ref	Improvement Action Description	Narrative
1	SR04 Sustainable Capacity and Flow	4b	Produce and implement a revised preferred model of delivery for Care at Home services.	Target date overdue, RAGs changed to Red.
2	SR06 Viability of External Providers	6a		
3	SR14 Partnership Premises	14b	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.
4	SR14 Partnership Premises	14c		

**5. IJB RISK APPETITE DEVELOPMENT SESSION**

- 5.1 A risk appetite setting development session is scheduled to be held with IJB Members on 15<sup>th</sup> March 2023.
- 5.2 In advance of this session, IJB Members will be requested to complete and return a template seeking views on what the risk appetite should be for identified categories of risk. Guidance on this will be provided.
- 5.3 During the development session the collated results of the returned templates will be presented for further discussion and possible amendment.
- 5.4 Following the development session, the Executive Management Team will prepare a risk appetite statement incorporating the views, of IJB Members, gained through the development session. The refreshed risk appetite statement will then be presented to the IJB for approval on 21<sup>st</sup> June 2023.
- 5.5 The proposed timeline for this work is shown below:



**6. CONCLUSION**

- 6.1 The position remains relatively static with the exception of the increase in risk exposure for the Partnership Premises strategic risk and the archiving of the Corporate Support strategic risk since last reported to the Audit and Performance Committee on 28th November 2022.

- 6.2 The Executive Management Team continues to work towards reducing the risk scores of the red and amber risks with the improvement plan being progressed and new actions identified when required.
- 6.3 Risk management continues to be a part of our efforts to 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