



PERTH & KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

18 SEPTEMBER 2023

STRATEGIC RISK MANAGEMENT UPDATE

**Report by Chief Officer
(Report No. G/23/115)**

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. RECOMMENDATION(S)

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

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

2. BACKGROUND

- 2.1 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.
- 2.2 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.
- 2.3 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.

3. ASSESSMENT

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

- SR04 Sustainable Capacity and Flow – the description of this risk has been amended to:
 - “As a consequence of the demographics of the Perth and Kinross population and increasing frailty there is a risk to the sustainability of ‘capacity and flow’ within our services resulting an inability of the wider health and care system to meet needs.”

The probability of this risk event occurring has also been reduced to 3 meaning the new risk score is 15. This is now an amber strategic risk.

- SR08 Widening Health Inequalities - the description of this risk has been amended to:
 - “As a consequence of increasing levels of poverty, deprivation, and significant rurality there is a risk that health inequalities will increase resulting in poorer outcomes for people.”

3.2 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.

3.3 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 position on this risk is unchanged. The first financial monitoring report for this year is being prepared for consideration with the risk subject to review following this.	5	3	15	→

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
2	SR02 Workforce	5	4	20	Recruitment remains challenging in our rural and remote context and there continues to be a significant number of vacancies across all professions in the HSCP. However, it is improving for social carers, nurses and AHPs. An improvement action, to appoint to a dedicated post to support implementation of the Workforce Plan, has been approved and is currently being advertised. The application made by P&K HSCP to participate in a Scottish Government pilot concerning overseas recruitment for social carers has been accepted and is being progressed. There has been no change to the risk score.	5	4	20	→
3	SR04 Sustainable Capacity and Flow	5	5	25	The recently reported improved performance in capacity and flow is being sustained at the moment with increased control over the situation (see Performance Update report). An early supported discharge service and a frailty team are in place. Hospital @ Home service in Perth City has begun receiving patients in mid-July. The probability of this risk is reduced to 3, bringing the risk down to an amber status. This will continue to be subject to regular review, particularly as winter approaches.	5	3	15	↓
4	SR05 Sustainable Digital Solutions	4	2	8	The position on this risk remains unchanged.	4	2	8	→

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
5	SR06 Viability of Commissioned Providers	4	4	16	<p>There is no change to the risk score.</p> <p>The mitigation of this risk is dependent on national funding and decision making.</p> <p>The agreed National Care Home Contract has improved the immediate outlook and, although this is positive, it is anticipated that there may be further challenges in 2024/25.</p> <p>In addition to this, one of our smaller residential Care Homes has communicated its intention to close due to financial viability, negotiations are ongoing. On balance and given this mixed picture the risk score remains unchanged.</p>	4	4	16	→
6	SR08 Widening Health Inequalities	3	4	12	<p>The description of this risk has been updated to more accurately reflect the current risk environment.</p> <p>The position on this risk remains unchanged.</p>	3	4	12	→
7	SR09 Leadership Team Capacity	4	3	12	<p>The position on this risk remains unchanged.</p>	4	3	12	→
8	SR11 Primary Care	4	4	16	<p>The position on this risk remains unchanged.</p>	4	4	16	→
10	SR14 Partnership Premises	4	5	20	<p>Work is ongoing to engage with statutory partners to mitigate this risk. NHST Short Life Working Group with all key partner involvement has been set up with the first meeting planned.</p> <p>The position on this risk remains unchanged.</p>	4	5	20	→
<p>→ No change in risk exposure ↑ Increase in risk exposure ↓ Decrease in risk exposure</p>									

3.4 Escalation of Operational Risks

3.4.1 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.

3.4.2 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.

3.4.3 Since EMT last reviewed the IJB's Strategic Risks on 1 June 2023 we have reviewed:

- The Clinical & Care Governance Assurance report considered by NHS Tayside's Clinical Governance Committee (CGC) on 3 August 2023 and the Exception report considered by CGC on 1 June 2023.
- Clinical & Care Governance Assurance report considered by Perth and Kinross Council's Scrutiny & Performance Committee on 7 June 2023.

3.4.4 Having reviewed the contents of the latest Clinical and Care Governance assurance and exception reports, no further escalation of operational risks has been considered.

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

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

Table 2



4. STRATEGIC RISK IMPROVEMENT ACTION PLAN

4.1 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 is 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.

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	Strategic Risk	Ref	Improvement Action Description	Narrative
1	SR02 Workforce	2c	Appointment to dedicated Workforce Post to support 3-year workforce plan implementation action plan.	Revised target date added. RAG changed to Amber from Green.
2		2d	Implementation of 3-year Workforce plan strategic actions.	RAG changed to Amber from Green.
3	SR04 Sustainable Capacity and Flow	4d	Recruitment of Service Manager: Whole System Transformation of Care at Home. This post will undertake a Best Value Review and Recommissioning of new model for care at home services.	RAG changed to Red due to target date not being met.
4		4e	Delivery of improvement actions contained within the 'Whole System Planning Integrated Improvement Plan'.	New improvement action.
5	SR06 Viability of Commissioned Providers	6a	Produce and implement a revised preferred model of delivery for Care at Home services.	Revised target date added.
6		6c	Implementation of new Care at Home Contract.	New improvement action.
7		6d	Develop a bespoke Complex Care commissioning approach which will increase flexibility and improve recruitment and also ensures that individuals and their families are at the heart of our assessment and planning activity.	New improvement action.
8		6e	Development of a Brokerage Model.	New improvement action.
9	SR11 Primary Care	11a	Produce a Perth and Kinross Primary Care Premises Strategy which identifies our premises needs for the short, medium and long term.	Action Complete. This will now become a current control for this risk.
10		11b	Development of 3 Year Strategic Delivery Plan for 2023-26 for Primary Care. This will also address the further implementation of wider services	Action Complete. This will now become a current control for this risk.

Ref	Strategic Risk	Ref	Improvement Action Description	Narrative
			in support of the GP General Medical Services contract.	
11		11c	Seek implementation of approved Perth & Kinross Primary Care Premises Strategy 2023-28.	New improvement action.
12		11d	Seek implementation of approved Perth & Kinross Primary Care 3-year Strategic Delivery Plan 2023-26 for Primary Care.	New improvement action.
13	SR14 Partnership Premises	14e	Produce a Perth and Kinross Primary Care Premises Strategy which identifies our premises needs for the short, medium and long term.	Action Complete. This will now become a current control for this risk.
14		14f	Seek implementation of approved Perth & Kinross Primary Care Premises Strategy 2023-28.	New improvement action.

5. DEVELOPMENT OF STRATEGIC RISK PROFILE FOR MENTAL HEALTH & LEARNING DISABILITY WHOLE SYSTEM CHANGE PROGRAMME

- 5.1 The Chief Officer recently led a workshop involving NHS Tayside and the other IJB Chief Officers to consider the development of the above strategic risk. The following draft description of the risk was agreed:
- 5.2 “As a consequence of a lack of workforce capacity, access to suitable estates infrastructure, ambiguity in financial framework, ineffective communication and engagement, there is a strategic risk to the delivery of Tayside's Mental health whole system change programme, resulting in failure to deliver improved outcomes, patient harm and other defined benefits of the programme.”
- 5.3 This risk, which relates to the delivery of the whole system change programme for Mental Health will be replicated in the risk registers for all partners as this requires collective leadership, ownership and management of risk and mitigations.
- 5.4 Further work will now take place to develop the risk, controls, mitigating actions, improvement actions, risk scores and level of appetite.

6. CONCLUSION

- 6.1 The IJB's strategic risk exposure continues to improve with the register now showing one less very high red strategic risk since last reported to the Audit and Performance Committee in June 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.

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Appendices

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