PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

11 MARCH 2024

STRATEGIC RISK MANAGEMENT UPDATE

Report by Chief Officer (Report No. G/24/28)

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
- Update on new or emerging risks and material changes to existing risks.

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1. **RECOMMENDATION(S)**

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

    - Note the increase in risk exposure for SR06 Viability of Commissioned providers.
    - Note the new narrative as set out at section 3.4 for strategic risk SR11 - Sustainability of Primary Care Services Strategic Risk.
    - Note the new strategic risk SR15 as set out at section 3.5 concerning the Whole System Mental Health & Learning Disabilities Change Programme.
    - 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 risks.

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:

- The probability of risk SR06 (Viability of Commissioned Providers) occurring has been increased to 4 meaning the new risk score is 16. This would mean this now increases to a red strategic risk from amber.
- The Sustainable Primary Care Services risk (SR11) has been amended to reflect the narrative of our Tayside partners but with an additional Perth & Kinross element.
- A new risk (SR15) has been added to the register concerning the Whole System Mental Health & Learning Disabilities Change Programme. Further work is required to determine the inherent and residual scores, the existing controls and any improvement actions which may be required.

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.
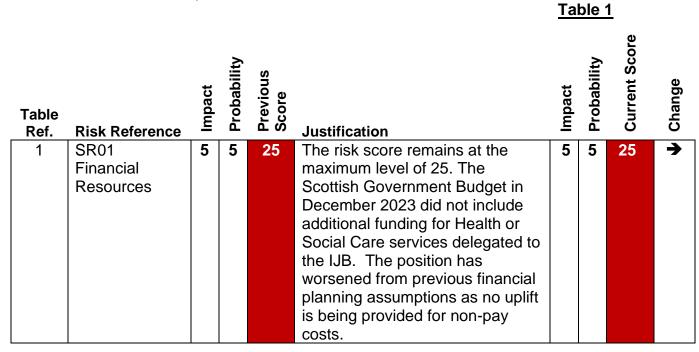
Table 1

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
1	SR01 Financial Resources	5	5	25	The risk score remains at the maximum level of 25. The Scottish Government Budget in December 2023 did not include additional funding for Health or Social Care services delegated to the IJB. The position has worsened from previous financial planning assumptions as no uplift is being provided for non-pay costs.	5	5	25	→

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
					The existing controls for this risk are deemed to be working effectively. However, these can only partly mitigate this risk. The extent of the cost and demand / need pressures on services, together with a decreasing real terms budget means that the risk remains extreme.				
2	SR02 Workforce	5	4	20	A dedicated Workforce Planning Officer has now commenced in post. Progress has been made in reducing the use of agency for nursing posts and agency use in social care has ceased. There is still a higher than preferred reliance on supplementary staff in hard to recruit areas however. Occupational Therapy positions can be particularly challenging to fill and a review of the AHP (Allied Health Professionals) workforce is being taken forward by the AHP Director at the request of the Chief Officer. There is an emerging issue in relation to visa applications for Social Care staff in the independent sector. Potential impact will be monitored and appropriate mitigations implemented if appropriate. Improvement actions are progressing with all 2 actions at a green status and the other now marked as complete. There is no change to the risk score.	5	4	20	➔
3	SR04 Sustainable Capacity and Flow	5	3	15	PKHSCP'S Winter Plan is progressing well and ensuring that capacity and flow is being maintained. The aspiration is to reach a locally set green status, but we remain in amber. We are	5	3	15	➔

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
					performing very well against our national HSCP comparators and delayed discharges having improved by almost 19% compared to 2022/23. We continue to seek further improvements against locally set targets. The improvement action against this risk to recruit a Service Manager for Care at Home is underway. This is anticipated to continue to drive increased efficiency. Efficiency targets for Care at Home have been set and reported to the HSCP transformation board. The existing controls for this risk are deemed to be working effectively and all the improvement actions associated with this risk are either complete or at a green status. The risk exposure level remains at 15 as the situation can change quickly.				
4	SR05 Sustainable Digital Solutions	4	3	12	The status of this risk was recently escalated to amber. 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 in care at home. It is now anticipated that the system will be available from April 2024. Further delays have now also been identified with other IT systems: MOSAIC (3 months and full implementation now due end of June 2024) and MORSE. No change to the risk score.	4	3	12	→

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
5	SR06 Viability of Commissioned Providers	4	3	12	Challenges with the National Care Home Contract have the potential to be highly disruptive within our Care Home Market. International recruitment and its associated sponsorship arrangements have begun to create difficulties in the retention of staff already in employment and for the recruitment of new staff. Whilst this risk was reduced to an amber status at the last review, the above challenges mean that this risk has been re-escalated back to red by increasing the likelihood to 4. The new risk score is now 16.	4	4	16	⬆
6	SR08 Widening Health Inequalities	3	4	12	The recently completed Joint Strategic Needs Assessment is now being used to inform the refresh of the Strategic Commissioning Plan which is expected to be considered in draft by the IJB in March 2024. Perth and Kinross has achieved accreditation with the age friendly communities network which gives access to global research and resources. The Director of Public Health Annual Report for 2022/23 was considered by the IJB in November 2023. As a result, the IJB is now committed to broader engagement with its strategic partners on how the findings in the report can be best utilised to target resources to reduce inequalities. This will be influential in the refresh of the Strategic Commissioning Plan. There is no change to the risk score at this time.	3	4	12	➔

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
7	SR09 Leadership Team Capacity	4	2	8	Work continues implementing the new leadership structure which is now partially complete with the permanent appointment to the new role of Chief Finance Officer & Head of Governance & Performance from 1 January 2024. The risk score is unchanged and remains a yellow strategic risk.	4	2	8	→
8	SR11 Primary Care	4	4	16	See 3.4 below.	4	4	16	→
9	SR14 Partnership Premises	4	4	16	Progress has been made in identifying suitable premises for our integrated Drug and Alcohol services. Challenges remain however in terms of sourcing appropriate premises for Care and Treatment Services with the current lease arrangements coming to an end. No change is to the risk score.	4	4	16	→
10	SR15 Whole System Mental Health & Learning Disabilities Change Programme			TBC	See 3.5 below			TBC	

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

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 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 the last full Audit and Performance Committee meeting held on 11 December 2023, NHS Tayside's Care Governance Committee and Perth and Kinross Council's Scrutiny and Performance Committee have each received an assurance report from PKHSCP. Having reviewed the contents of these no further escalation of operational risks is required.

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

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

Table 2

Strategic Risk Exposure March 2024

	Priority 1	Priority 2	Priority 3	Priority 4
Dec-23	4	4	1	0
Mar-24	5	3	1	0

3.5 SR11 Sustainability of Primary Care Services Strategic Risk

3.5.1 Discussions have taken place at NHS Tayside Strategic Risk Management Group concerning the Primary Care Sustainability strategic risk and if the narrative should be replicated across the three Tayside IJBs as well as NHS Tayside. Perth & Kinross currently has strategic risk SR07 in relation to the Sustainability of Primary Care Services which has been on the PKIJB risk register since October 2020. The risk description for SR07 is as follows:

> *"As a result of insufficient suitable and sustainable premises, and a lack of available national and cross-system flow of financial support, there is a risk that we will not be able to provide, within the legislative timeframe, the necessary services as defined within the 2018 General Medical Services Contract."*

3.5.2 PKHSCP Executive Management Team met on 1 February 2024 and agreed that PKIJB risk register should however be updated to replicate the Sustainable Primary Care risk narrative of NHS Tayside and Angus IJB. It was recognised however that there is an additional factor to be considered in Perth and Kinross in relation to rurality and the unique challenges of delivering

primary care in the Perth & Kinross geography and demographic context. The following description has therefore now been adopted:

> *"Sustainable Primary Care Services - As a result of an inability to:*
> * *Reliably recruit, train and retain workforce,*
> * *Have appropriate premises to deliver clinical and support services,*
> * *Have in place adequate digital systems to support clinical care and communication between teams, patients and across the services, and*
> * *address inequalities of access to services in remote and rural areas. There is a risk we will be unable to deliver safe, effective, high quality, person centred primary care services. This could result in inadequate care, reputational damage and failure to meet legal requirements."*

3.6 SR15 Whole System Mental Health & Learning Disabilities Change Programme Strategic Risk

3.6.1 The risks which affect mental health need managed on a pan-Tayside basis. To take this forward the wording of a whole system risk was agreed across all partners and the Mental Health & Learning Disability Whole System Change (MHLDWSC) Programme Board. It is proposed that this risk is held within each statutory partner's risk register to ensure that a collaborative approach can be taken to the management and control of the risk. The wording is set out below.

3.6.1 *"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 benefits of the programme."*

3.6.2 Collaborative work is ongoing to document the causes and consequences of the risk, to identify the existing controls, the inherent and residual scores of the risk and to identify and implement the necessary improvement actions. The programme risk log is reported monthly to the Executive Leadership Group for the MHLDWSC.

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 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.

4.2 Table 3 below sets out the most significant developments concerning the Improvement Plan since this was last presented to the Audit and Performance Committee in December 2023 including the addition of 4 new improvement actions.

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.	Appointment made - postholder commenced 22/1/24. Action complete.
2	SR04 Sustainable Capacity and Flow	4b	Produce and implement a revised preferred model of delivery for Care at Home services.	
3		4e	Delivery of improvement actions contained with the Whole System Planning Integrated Improvement Plan.	Actions closed off and now reviewing for the year. Action complete.
4		4f	Recruitment of interim Service Manager for MFE/Discharge Planning	Appointment made. Action Complete.
5	SR05 Sustainable Digital Solutions	5f	Deployment and Implementation of Pinpoint GIS mapping system to increase efficiency and significantly reduce unmet need.	Pinpoint GIS mapping system has been implemented. Teething issues are being addressed. Action marked as complete.
6		5g	Implementation of an integrated case management system	New improvement action.
7		5h	Implementation of Pinpoint GIS mapping of unmet need system.	New improvement action.
8	SR06 Viability of Commissioned Providers	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.	Action complete and service continues on an ongoing basis.
9		6f	Development Rural Care and Support Model (scoping and design phase)	New improvement action.
10	SR08 Widening Health Inequalities	8b	Develop an Integrated Resource Framework (IRF) to enable us to understand health and social care inequalities across each locality and enable informed strategic decision making.	The revision of the IJB's Strategic Commissioning Plan and the Joint Strategic Needs Assessment has superseded this action.
11			Approval of revised Strategic Commissioning Plan which will address the health and social care needs of our population and ensure that health inequalities are reduced.	New improvement action.

4.3   Table 4 below sets out the status of the improvement plan actions with 4 new actions added since December 2023. 21 actions are now deemed to be at Green status. This is 60% of the total current actions.

Table 4

Strategic Risk Improvement Actions

5.   CONCLUSION

5.1   Since las last reported to the Audit and Performance Committee in December 2023 there has been an increase of 1 red risk to 5 with SR06 moving from an amber status.

5.2   A new risk (SR15) has been added to the register concerning the *Whole System Mental Health & Learning Disabilities Change Programme.* Further work is required to determine the inherent and residual scores, the existing controls and any improvement actions which may be required.

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

5.4   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