



Perth And Kinross Integration Joint Board

Audit & Performance Committee

26 June 2023

STRATEGIC RISK MANAGEMENT UPDATE

Report by Chief Officer
(Report No. G/23/90)

1. 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

2. 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.

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:

- SR01 Financial Resources – the probability of this risk occurring has reduced to 3 resulting in a new risk score is 15.
- SR02 Workforce - the probability of the risk occurring has reduced to 4, resulting in a new score of 20. This remains a red strategic risk.
- SR05 Sustainable Digital Solutions – the probability of the risk occurring has reduced to 2 resulting in a new risk score is 8.
- SR06 Viability of External Providers – the description of this risk has been amended to:
 - “As a result of challenging employment conditions, the recession and cost of living crisis, EU Exit, increasing complexity of individuals supported as well as the impact of the pandemic there is a risk that our commissioned providers will be unable to meet the increased demands they are facing resulting in reduced viability of providers across our local health and social care sector.”The probability of this risk event occurring has reduced to 4 meaning the new risk score is 16. This remains a red strategic risk.
- SR13 Inpatient Mental Health Services – this is no longer deemed to be a risk to the IJB's strategic aims and has been archived. The strategic risks associated with the delivery of the Mental Health and Learning Disability Whole System Change Programme will be managed within a revised governance structure reporting to all 3 IJBs and NHS Tayside Board. It is not the responsibility of Perth and Kinross IJB/HSCP.
- SR14 Partnership Premises – the probability of this risk occurring has been increased to 5 meaning that the risk score is now 20. This remains a red strategic risk.

- 4.2 Table 1 below sets out current risk scores following EMT review and resultant changes set out above. It also provides justification for changes and records the movement in risk score since last reported to the A&PC. 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	The budget for 2023/24 was approved to the IJB at their meeting on 29 March 2023. This balanced budget utilises reserves for 2023/24. There remains considerable financial risk for future years. The probability of the risk occurring in the current financial year has however been reduced to 3.	5	3	15	←
2	SR02 Workforce	5	5	25	Improvement actions are being implemented however 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. Improvement action 2c, to appoint to a dedicated post to support implementation of the Workforce Plan is Amber and is expected to be delayed. Overseas recruitment has been used to fill some nursing and AHP vacancies and an application has been made by Perth & Kinross Council to participate in a Scottish Government pilot re overseas recruitment for social carers. The ongoing work means that the probability of this risk occurring has reduced from 5 to 4.	5	4	20	↓
3	SR04 Sustainable Capacity and Flow	5	5	25	The position on this risk remains unchanged. However, capacity and flow has substantially improved recently and the risk rating will be reviewed and updated once this is sustained.	5	5	25	→
4	SR05 Sustainable Digital Solutions	4	3	12	Improved governance arrangements are in place with wider representation (HSCP, PKC, and NHST) on Strategic and	4	2	8	↓

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
					Steering Groups in place. This ensures appropriate cross system awareness of Digital/TEC developments and promotes information sharing and collaborative working. The probability of this risk event occurring has been reduced to 2, reducing the risk to a yellow status.				
5	SR06 Viability of Commissioned Providers	4	5	20	Unstable social care market conditions mean that recruitment is impacted, specifically with Care at Home providers. This is translating into an inability to address unmet need in this sector. There has been some improvement in recruitment and passing through of the social care Real Living Wage uplift. However, the risk has reduced slightly so the probability of the risk occurring has been reduced to 4.	4	4	16	↓
6	SR08 Widening Health Inequalities	3	4	12	The position on this risk remains unchanged.	3	4	12	→
7	SR09 Leadership Team Capacity	4	3	12	The position on this risk remains unchanged.	4	3	12	→
8	SR11 Primary Care	4	4	16	Further uncertainty exists in respect to Scottish Government funding and this may lead to diminution of planned investment. The Primary Care Strategic Delivery Plan and the premises strategy are being considered at the June IJB meeting. NHST finance and property representatives have recently engaged with Primary Care leadership across Tayside to establish suitable processes to manage premises issues.	4	4	16	→

Table Ref.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
					There is no change to the risk score at this time and the impact of the decision in relation to the dispersal of patients of Invergowrie Medical Practice from 16 June 2023 and any other GP contractual pressures will be considered at the next risk review.				
9	SR13 Inpatient Mental Health Services	4	3	12	Clarification of the governance arrangements has meant that this is no longer deemed a risk to the strategic ambitions of the IJB. The risk has consequently been archived.	-	-	-	-
10	SR14 Partnership Premises	4	4	16	Perth and Kinross Council (PKC) continues to review its requirements for the medium/long term and the continuing uncertainty of the outcome of this review means that the probability of the risk has been increased to 5. However, the HSCP is represented on a PKC working group which is leading the review to ensure that appropriate alternative HSCP accommodation, where required, can be identified.	4	5	20	↑
→ No change in risk exposure ↑ Increase in risk exposure ↓ Decrease in risk exposure									

4.3 Escalation of Operational Risks

4.3.1 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.

4.3.2 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.

4.3.3 Since the last Audit and Performance Committee meeting held on 13th March 2023, NHS Tayside’s Care Governance Committee (CGC) and Perth and Kinross Council’s Scrutiny and Performance Committee (SPC) have each received one Clinical and Care Governance Assurance report from Perth and Kinross HSCP. The CGC considered this on 6th of April 2023 and the SPC on 26th April 2023.

4.3.4 Having reviewed the contents of the latest Clinical and Care Governance assurance reports, no further escalation of operational risks is proposed.

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

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

Table 2



5. STRATEGIC RISK IMPROVEMENT ACTION PLAN

5.1 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 the EMT and is attached at Appendix 2.

5.2 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	Update
1	SR01 Financial Resources	1d	In partnership with NHS Tayside and the 3 IJB's, develop an affordable long-term financial framework for Mental Health functions across Tayside including a jointly agreed approach to bridging finance.	Action amended to "In partnership with NHS Tayside and the 3 IJB's, develop an outline financial plan by 30th June 2023 and a detailed financial framework including agreed financial recovery actions by 30th Sept 2023." Target date amended from 31/3/23 to 30/9/23.
		1g	Development of options for contraction of Strategic Commissioning Plan that may be required to support recurring financial balance over 2023: 2026	Action amended to "Development of options for contraction of Strategic Commissioning Plan that may be required to support recurring financial balance for 2024:2026". Target date amended to 31st October 2023.
		1h	Development of refreshed Quality Safety and Efficiency in Prescribing (QSEP) Programme to ensure future growth can be offset by increased efficiency.	RAG changed to red.
2	SR02 Workforce	2c	Appointment to dedicated Workforce Post to support 3-year workforce plan implementation action plan.	New improvement actions.
		2d	Implementation of 3-year Workforce plan strategic actions.	
3	SR04 Sustainable Capacity and Flow	4b	Produce and implement a revised preferred model of delivery for Care at Home services.	Target date amended from 30/11/22 to 30/11/23. RAG changed to Green.
		4d	Recruitment of Service Manager: Whole System Transformation of Care at Home to undertake a Best Value Review and Recommissioning of new model for care at home services.	New improvement action.

Ref	Strategic Risk	Ref	Improvement Action Description	Update
4	SR06 Viability of Commissioned Providers	6a	Produce and implement a revised preferred model of delivery for Care at Home services.	Target date amended from 30/11/22 to 30/11/23. Rag changed to Green.
		6c	Implementation of new Care at Home Contract.	New improvement actions
		6d	Bespoke Complex Care Commissioning Approach.	
		6e	Development of a Brokerage Model.	
5	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.	Target date amended from 30/6/22 to 30/6/23 to reflect the new date for the IJB considering this strategy.
		11b	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 from 31/3/23 to 30/6/23 to reflect the new date for the IJB considering this strategy.
6	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.	New improvement action.

6. IJB RISK APPETITE DEVELOPMENT SESSION

6.1 A risk appetite setting development session was held with IJB Members on 15th March 2023. A draft risk appetite is now being developed and will be discussed at a further IJB development session. Following this a proposed risk appetite statement will be submitted to the IJB for consideration. This is planned for later in 2023.

7. CONCLUSION

7.1 The IJB's strategic risk exposure has improved since last reported to the Audit and Performance Committee on 13th March 2023.

7.2 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.

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

Author(s)

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Appendices

Appendix 1 – Perth & Kinross IJB Strategic Risk Register Summary

Appendix 2 – Strategic Risk Improvement Action Plan