



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

7 MARCH 2022

STRATEGIC RISK MANAGEMENT UPDATE

Report by Chief Officer (G/22/34)

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 the risks;
- To update on new or emerging risks and material changes to existing risks.

1. BACKGROUND

- 1.1 As a key part of its governance process, the Strategic Risk Register examines the risks that 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 process in place to manage strategic risk.
- 1.2 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.
- 1.3 Perth & Kinross Health and Social Care Partnership's Executive Management Team (EMT) routinely monitors, reviews and provides a balanced assessment of the nature and extent of the strategic risks to which the IJB is exposed in pursuit of its strategic objectives. As part of this EMT regularly review Operational Risks across PKHSCP to determine whether escalation is required to Strategic Risk level. This includes Clinical and Care Risks.

2. ASSESSMENT

2.1 Having reviewed progress against the implementation of improvement actions, considered progress against audit recommendations, consulted risk owners and reviewed partnership operational risks, the strategic risks have been assessed and amended as set out below:

- SR09 Leadership Team Capacity has increased to a red risk from amber;
- SR10 Corporate Support has increased to a red risk from amber;
- SR13 Inpatient Mental Health Services has increased to a red risk from yellow.

PKHSCP'S Executive Management Team specifically reviewed the archiving of the strategic risk concerning Insufficient Preparedness for Future Covid 19 (or other pandemic) Pressures and confirmed that the decision to archive this risk was appropriate.

The Partnership is considered to have the processes and controls in place that can be stepped up immediately to oversee services and ensure resilience and capacity. Whilst the Omicron wave has presented new challenges, these appropriate governance and decision making mechanisms continue to ensure preparedness.

2.2 Table 1 below provides the justification for movements in scores.

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

Table 1

No.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
1	SR01 Financial Resources	5	4	20	There is no change to risk exposure at present. Existing controls are operating as expected, the review of the IJB's Integration Scheme continues, with the review of Financial Risk Sharing agreements being a key priority. Whilst a budget settlement has been received from the Scottish Government for 2022/23, it is too early to confirm the overall impact that this will have on ongoing financial sustainability. Further, discussions are ongoing with NHS Tayside and the 3 Integration Joint Boards in respect of the responsibility for Strategic Planning of Inpatient Mental Health Services. This may have a significant impact on the financial sustainability of the IJB moving forward and further supports retaining the overall red risk rating at this point.	5	4	20	→
2	SR02 Workforce	5	4	20	The Scottish Government deadline for completion of the 3 year workforce plan has been extended to 31 July 2022. However within P&K it is intended to produce our 3 year workforce plan by 30 June 2022. This will	5	4	20	→

No.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
					<p>however rely on the capacity of Heads of Service and their teams which has been significantly affected by the recent Covid surge.</p> <p>The workforce challenges faced across PKHSCP are such that the 3 Year Workforce Plan will in itself be insufficient to mitigate the current level of risk. The Scottish Government have indicated that their Health & Social Care Workforce Strategy is expected in early 2022 and as national solutions are essential to respond to national shortages across a number of professional staff groups this will be key in addressing growing workforce shortages to sustain existing and new service models.</p> <p>The significant workforce challenges facing the Partnership are demonstrated by the temporary closure of the GP Inpatient Unit at Pitlochry Community Hospital due to long standing nursing recruitment challenges. In recent months these challenges have been further exacerbated by Covid 19 which has impacted on the availability of staff across the health and social care system.</p> <p>The Older Peoples Strategic Delivery Plan 2022:2025 and the Community Mental Health & Wellbeing Strategy set out significant investment in additional staff to respond to increases in demand. Recruitment to additional posts is underway with the success of both strategies being dependant on being able to fulfil recruitment required.</p> <p>As such there is no change to the risk exposure.</p>				
3	SR03 Safe Working	4	4	16	<p>The production of an accommodation strategy, which is the key improvement action related to this strategic risk, now requires appropriate leadership to progress. The capacity of Heads of Service to undertake this is not available.</p> <p>Heads of Service have scoped out Partnership needs in terms of WTE requiring accommodation and the associated services. There however is no capacity to take this forward to formalise a strategy which can go to statutory partners for an integrated solution to be sought and delivered. This however has not been a priority due to the operational challenges Omicron has presented. As such, discussions with statutory partners on how a strategy can be procured will now be progressed. Proposals to increase service management capacity have been agreed however are not yet implemented</p> <p>There is no change to the risk score at present.</p>	4	4	16	➔
4	SR04 Sustainable	5	4	20	<p>Our Strategic Delivery Plan for Older Peoples Services is being developed and will seek to</p>	5	4	20	➔

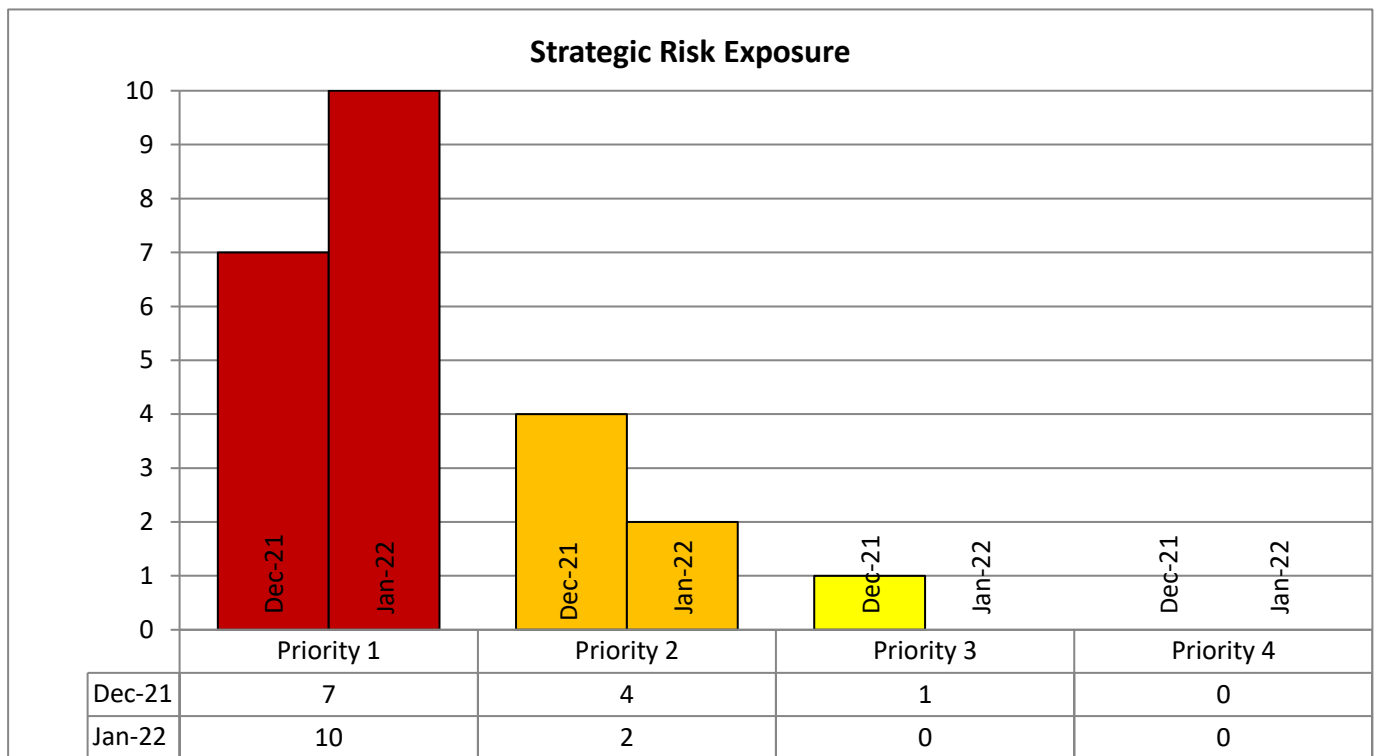
No.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
	Capacity and Flow				<p>address pressures in a sustainable manner. The plan will be reviewed to ensure that strategic actions which will mitigate the risk are captured and monitored.</p> <p>Care at Home capacity has a direct impact on capacity and flow however and our approach to winter resilience and new models of service delivery will, in time, further mitigate pressures. A very high red operational risk in relation to Care at Home is currently being mitigated and will continue to be monitored for any implications for the strategic risk.</p> <p>The winter planning process is being used as a test of change in order to improve and enhance the resilience of services to maintain capacity and flow through hospitals and to prevent admissions. Learning will be taken from this test of change to consider what can be achieved on a permanent basis to support capacity and flow.</p> <p>Despite the pressures brought on by the Omicron surge and the significant issues with Care at Home providers, flow is being maintained with patients and service users continuing to move through the system. However this is being maintained at the potential expense of other services which may result in future service demand.</p> <p>There is no change to risk exposure at this time.</p>				
5	SR05 Sustainable Digital Solutions	4	3	12	<p>The Steering Group and Strategy Group are working well and directing the need for change as expected. Regular reporting to EMT is not yet in place and this remains a concern; however a new improvement action has been put in place to rectify this which will be added to the current controls when reporting is in place.</p> <p>There is no change to risk scores at present as improvement actions still progressing.</p>	4	3	12	➔
6	SR06 Viability of External Providers	4	4	16	<p>The Older People's Strategic Delivery Plan is due to be considered by the IJB in March 2022. With this will come a range of improvements and investment which will seek to enhance the viability of external providers.</p> <p>There is no change to the risk exposure at this time.</p>	4	4	16	➔
7	SR08 Widening Health Inequalities	3	4	12	<p>Joint work continues with PKHSCP and the CPP in relation addressing inequalities with improved capacity to increase volunteering and improve early intervention work. Close working continues in partnership with our communities via attendance at regular Stronger Communities meetings.</p> <p>The risk score remains unchanged.</p>	3	4	12	➔

No.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change
8	SR09 Leadership Team Capacity	4	3	12	<p>EMT has approved the funding solution identified that will establish posts within Head of Service teams on a substantive basis from 2022. However the imminent departure of the CO will likely mean that leadership capacity is compromised for a period.</p> <p>Further, ongoing discussion at senior level across Tayside around the leadership of Mental Health Transformation may have a serious compounding impact on leadership capacity. Due to this and despite the completion of improvement action 9a, the impact of this risk has moved from 3 to 4 increasing the risk exposure to 16.</p>	4	4	16	↑
9	SR10 Corporate Support	4	3	12	<p>The Chief Officer has determined that, following a review, the most appropriate, effective and efficient route to ensure Partnership increased capacity and corporate support resilience is for the current Executive Management Team structure to be retained. In parallel, the strategic risk improvement action concerning the rapid review of corporate support has been finalised and has informed the need for additional corporate support resource. Approval has been granted by EMT to progress the proposals identified. However the imminent departure of the CO may mean implementation of the proposals on a substantive basis may be compromised.</p> <p>The uncertainty concerning the appointment of a new CO will also present capacity challenges for the Corporate Support function</p> <p>Due to the above and despite the completion of 2 improvement actions, the probability of the risk occurring has been increased from 3 to 4, meaning the new risk exposure is 16.</p>	4	4	16	↑
10	SR11 Primary Care	4	4	16	<p>Progress has been limited with no changes so the risk exposure remains the same. However this risk and improvement plan will be updated following the IJB development session which was held at the end of January 2022.</p>	4	4	16	→
11	SR13 Inpatient Mental Health Services	3	3	9	<p>Improvement actions remain ongoing with the review of the Integration Scheme continuing. However discussion is underway across the parties around accountabilities and their consistency with leadership arrangements. The gap that has been created between operational management and strategic planning following Scottish Government direction in June 2019 has created a complex governance challenge and there is the potential for significantly increased risks to the IJB.</p>	4	4	16	↑
12	SR14 Partnership Premises	4	4	16	<p>The production of an accommodation strategy, which is the key improvement action related to this strategic risk, now requires appropriate</p>	4	4	16	→

No.	Risk Reference	Impact	Probability	Previous Score	Justification	Impact	Probability	Current Score	Change	
					<p>leadership to progress. The capacity of Heads of Service to undertake this is not available. Heads of Service have scoped out Partnership needs in terms of WTE requiring accommodation and the associated services. There however is no capacity to take this forward to formalise a strategy which can go to statutory partners for an integrated solution to be sought and delivered. This however has not been a priority due to the operational challenges Omicron has presented. Proposals to increase service management capacity have been agreed however are not yet implemented. As such, discussions with statutory partners on how a strategy can be procured will now be progressed.</p> <p>There is no change to the risk score at present.</p>					
		➔ No change in risk exposure			⬆ Increase in risk exposure			⬇ Decrease in risk exposure		

2.4 Table 2 below shows the Strategic Risk Exposure at the last Committee meeting and today's meeting:

Table 2



3. IJB DEVELOPMENT SESSION - GP SUSTAINABILITY

- 3.1 A development session was held for IJB members on 26 January 2022 concerning GP sustainability. The session highlighted the range of issues which are being experienced within General Practice and how these relate to the HSCP and the IJB.
- 3.2 Following this session the implications for the GP Sustainability strategic risk and associated improvement actions are now being considered and the register and improvement plan will be updated accordingly as soon as possible.

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 has been updated and is attached at Appendix 2.
- 4.2 Since the Improvement Plan was last presented to the Audit and Performance Committee, the following changes have been made:

Table 3

Ref.	Risk	Ref	Improvement Action Description	Narrative
1	SR01 Financial Resources	1a	Timetable of Joint Engagement meetings with key stakeholders (PKC Head of Finance, NHST Director of Finance, Chief Executives).	Target date overdue. However it is noted that this is not within the direct control of the Chief Officer/Chief Financial Officer. RAG changed from Amber to Red.
2	SR01 Financial Resources	1d	In partnership with NHS Tayside and the 3 IJB's, develop an affordable long term financial framework for delegated Mental Health functions across Tayside including a jointly agreed approach to bridging finance.	New improvement action added.
3	SR01 Financial Resources	1e	Review the role of medicines management governance in Tayside and the role of HSCP's/IJB's therein to ensure that new SMC approved medicines for Primary Care are not approved locally without the necessary budgetary provision being agreed.	New improvement action added.
4	SR02 Workforce	2a	Development of 3 year 2022/25 PKHSCP Workforce Plan.	Target date changed from 31/3/22 to 30/6/22 in line with SG extension. However work

Ref.	Risk	Ref	Improvement Action Description	Narrative
				progressing well.
5	SR02 Workforce	2b	Implementation of P&K Mental Health & Wellbeing Strategy - Key Theme 5.1 - Review of Workforce Requirements	Strategy approved by IJB. RAG changed from Green to Blue. Action complete.
6	SR03 Safe Working	3a	Produce a Perth & Kinross HSCP Accommodation Strategy to address infrastructure needs across the organisation for the short, medium and long term to ensure that capacity and demand can be managed safely and in accordance with the achievement of our Strategic ambitions”.	Target date overdue. RAG changed from Amber to Red.
7	SR04 Sustainable Capacity & Flow	4a	Development of 3 Year Strategic Delivery Plan for Older People's Services. This will seek to address issues that demographic growth presents and ensure capacity across the system is sufficiently robust.	Target date amended from 30 November 2021 to 30 March 2022 when the Older Peoples Strategy will be considered for approval by the IJB.
8	SR04 Sustainable Capacity & Flow	4c	Implementation of P&K Mental Health & Wellbeing Strategy - Key Theme 2.2 - Access to Mental Health Services and Support	Strategy approved by IJB. RAG changed from Green to Blue. Action complete.
9	SR05 Sustainable Digital Solutions	5b,5c,5d	Responsibility for these actions amended to Acting Head of Service ASWSC Operations.	
10	SR05 Sustainable Digital Solutions	5e	Regular reporting from Digital Steering Group to EMT to be agreed and implemented.	New improvement action added.
11	SR09 Leadership Team Capacity	9a	Review of PKHSCP Service Management Structure to sustainably increase leadership capacity including Strategic Planning and Performance.	The Chief Officer has determined that, following a review, the most appropriate, effective and efficient route to ensure Partnership increased capacity and resilience is for the current EMT level structure to be retained. The narrative for the action has been amended to “Review of PKHSCP Service Management Structure to sustainably increase leadership capacity including Strategic Planning and Performance” and RAG changed from Green to Blue. Action complete.

Ref.	Risk	Ref	Improvement Action Description	Narrative
12	SR09 Leadership Team Capacity	9b	Implementation of PKHSCP Management Structure Review.	Improvement action amended to "Review of service management support to all Heads of Service to ensure sufficient capacity and protect resilience." However proposals are not yet fully developed so the RAG has been amended from Green to Amber.
13	SR09 Leadership Team Capacity	9c	Develop and appropriately resource leadership arrangements to support the development of a Mental Health Strategic Delivery Plan for delegated functions across Tayside that are consistent with the revised Integration Scheme and that effectively mitigate the material risk that emerges from the split of responsibility for strategic planning from operational management.	New improvement action added with responsibility aligned to NHST & PKC CE's / IJB Chairs & IJB CO's
14	SR10 Corporate Support	10a	Chief Officer to work with the EMT to progress a restructure of the HSCP that will seek to ensure adequate capacity across the organisation to improve functioning and effectiveness and address identified capacity shortfalls, within available finance.	Improvement action removed.
15	SR10 Corporate Support	10b	Implementation of PKHSCP Management Structure Review.	Improvement action removed.
16	SR10 Corporate Support	10c	Finalise rapid review of Corporate Support and identify an appropriate funding solution as required to ensure sustainable corporate services for inclusion in the Draft 2022/23 Financial Plan.	Proposals identified in the rapid review for investment in Performance & Planning and Finance have now been approved. RAG changed from Green to Blue. Action complete.
17	SR10 Corporate Support	10d	With HR support from both parties implement outcomes of Corporate Support review to ensure necessary capacity in place at the earliest opportunity.	New Improvement action added.
18	SR13 Inpatient Mental Health Services	13b	Following approval in principle of the Tayside Mental Health Strategy by Tayside HSCP's bring	RAG changed from Amber to Red.

Ref.	Risk	Ref	Improvement Action Description	Narrative
			forward the Strategic Delivery Plan.	
19	SR14 Partnership Premises	14a	Produce a Perth & Kinross HSCP Accommodation Strategy to address infrastructure needs across the organisation for the short, medium and long term to ensure that capacity and demand can be managed safely and in accordance with the achievement of our Strategic ambitions.	Target date overdue. RAG changed from Amber to Red.

5. ESCALATION OF OPERATIONAL CLINICAL CARE GOVERNANCE RISKS

5.1 The Chief Officer has now initiated a process to routinely consider operational clinical care governance risks and their impact on PKIJB's Strategic Objectives. The routine examination of these risks allows for consideration to be given to the need for further assessment of existing strategic risks or the extent to which new strategic risks should be reported.

5.2 This review was last undertaken on 27 January 2022 and a report setting out the outcome of this review is being considered at item 6.1 on today's agenda.

6. NEXT STEPS

6.1 The risk scores, controls and improvement actions for each of the risks will continue to be reviewed and updated by risk owners, supporting forums and the Executive Management Team as per the frequency set out in the reviewing and reporting schedule included in the Partnership's Risk Management Framework.

7. RECOMMENDATIONS

The Audit and Performance Committee is asked to:

- i) Note the IJB's Strategic Risk Register and Strategic Risk Improvement Plan.
- ii) Note the current position of the IJB's strategic risk exposure scores as at section 2.

Author(s)

Name	Designation	Contact Details
Jane M Smith	Head of Finance & Corporate Services	jane.smith@nhs.scot

Appendices

Appendix 1 – Perth & Kinross IJB Strategic Risk Register Summary

Appendix 2 – Strategic Risk Improvement Action Plan

Appendix 3 – Strategic Risk Register Matrix